

## News Summary

VC10 DRAMA AS . . . BUSINESS

### Counter Gold -coup jumps to 2-year high Sudan

A counter-revolution in the Sudan last night added a new dimension to Britain's confrontation with Libya over the forcing down yesterday of a BOAC VC-10 carrying two leaders of Munday's Khartoum coup.

Gen. Jafar el Nimirli, who had been ousted by Leftist army elements, has been restored as head of state, said Radio Omdurman last night.

If Nimirli has secured his position, writes Richard Johns, he is certain to want the extradition from Libya of the two men taken off the VC-10: Col. Bakir el Nour, banned on Tuesday as the new Revolutionary Command Council chairman, and Maj. Farouq Hamadallah, a Council member.

#### Arms hint

In the Commons, both sides called for strong action against Libya for its act of "international piracy" in making the VC-10 land at Benghazi. Mr. Joseph Godber, Minister of State at the Foreign Office, said Britain took a "most serious" view of the action, which was "in complete violation of international civil aviation practice."

Referring to a Libyan arms buying mission currently in London, Mr. Godber said "many of us think it would be quite wrong to sell any arms at this moment to a Government which behaves in such an irresponsible fashion."

Later, Libya denied the aircraft had been forced to land. Back Page 8

The forcing down of the aircraft is considered certain to expedite the proposed world treaty against unlawful interference with civilian aviation. Page 12

Iraqi aircraft carrying a high-level delegation to Khartoum to congratulate the military Leftists on their coup, crashed in Saudi Arabia, killing several prominent officials.

#### REST OF THE NEWS

### Poison ship recalled

The Dutch Akzo chemical firm recalled its tanker Stelle Maris, which was to have dumped 600 tons of poisonous waste 700 miles west of Ireland, after strong protests by Britain and Ireland. The latter had said a minesweeper would intercept the Dutch ship if she tried to enter Irish waters.

Akzo made the move after Dutch Government intervention. It said the waste would be placed in storage tanks.

#### Gullotine no. 3

Government will have to use a "gullotine" for the third time on the unions Bill in order to ensure it gets Royal Assent before the summer recess, writes Richard Evans. Five days are to be allocated to debating Lords amendments—all 340 of them. Page 8

#### It is cholera

Spain officially admitted that seven people in the country's Saragossa area had cholera, but said the situation was under control. Spain's Embassy in London said Britons travelling to the area would have to be inoculated. Page 7

#### Briefly . . .

Typhoon Lucy slammed into Hong Kong with 110 mph winds, leaving 31 injured. After it faded, typhoon Nadine was reported building up.

Five people died, 26 were hurt, when a train jumped the rails inside the Simplon tunnel, Switzerland, and was battered head and forth in the tunnel walls.

Cricket: Knott, 67, and Snow, 51 not out, pulled England round to 252-S after five wickets had fallen for 71. Page 12

City of London police were keeping a 24-hour watch on Spanish banks in the City following a threat to attack them believed to have come from the Angry Brigade. Back Page

#### CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

#### RISES

BSR	375 + 22
Booker McConnell	102 + 6
Bowring (C. T.)	462 + 14
Brit. Com. Shpgs	25 + 7
British Linen	88 + 7
Cashmore Foods	97 + 5
Courtaulds	125 + 6
Fluidrives	277 + 60
Fisons	296 + 8

House of Fraser ... 380 + 35

Lucas (J.) ..... 259 + 9

Midels Bedding .. 249 + 6

Minet Holdings .. 365 + 20

Smith (W. H.) .. 321 + 15

Tomkinson .. 30 + 11

Trust Houses Forte .. 128 + 12

Unilever .. 104 + 7

Vaux and Assocd .. 321 + 8

Woolworths .. 129 + 11

York Trailor .. 53 + 9

Zorahaut .. 70 + 7

Longbourne .. 184 + 10

Alliance Oil .. 15 + 74

#### FALLS

Anglo American .. 355 + 8

Boughsillle .. 214 + 6

Cons. Gold Fields .. 259 + 10

East Drie .. 177 + 7

Rio Tinto-Zinc .. 244 + 7

Botswana RST .. 370 + 20

Tera Exploration .. 785 + 30

U.K. DAILY STOCK INDICES

FINANCIAL TIMES

July 22

July 21

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July 7

July 6

July 5

July 4

July 3

July 2

July 1





Lynn Seymour with Michael Coleman and David Wall in Kenneth MacMillan's new ballet "Anastasia" which had its world premiere at Covent Garden last night. It is danced to music by Martini and Chaikovsky. Scenery and costumes are by Barry Kay

## Nottingham Festival

### Antigone by GARRY O'CONNOR

Braham Murray's production of Sophocles' *Antigone* is the main theatrical event of the Nottingham Festival, and will be running in the Playhouse's repertory until the end of the summer. Played entirely on the forestage it is a broad swipe at the timeless yet often intrinsically qualities of the work, which in a new translation by the Professor Emeritus of English at Middletown, Connecticut, have been retextured into limp American prose. The accent is on making it look, sound, and feel contemporary.

The conflict is there, noble and simple form, and its issue the death of Antigone and Creon's own son Haemon, direct consequence of Creon's blind pride, is logical and inevitable.

Sophocles made Creon's reversal of intention so swift and sudden that the dramatic structure is severely impaired. After Tiresias' devastating broadside of doom, Creon thinks again, and in ten lines or so, decides he will set Antigone free by which time it is too late. Only very careful handling of this passage can make it credible in the way that Oedipus' realisation of the truth of his past is credible. Unfortunately this is where Braham Murray, instead of elucidating this change, sacrifices everything for an irrelevant effect, by making his chorus slough their cloaks and stand in painted underwear for the great invocation to Dionysus. It is a lapse directly in line of descent from the golden phallus in Brook's *National Theatre* production of Seneca's *Oedipus Rex*. Yet there the orgastic intrusion served more justly a decadent play, concentrating, as Seneca did, on pure theatrical effect. But Sophocles is anything but crude, and it is lamentable also, to mark the tragic narrative of the Messenger by making him appear in a purple cloak, closed eyes, and naked navel. Leaving the black discarded cloaks of the Chorus littering the

stage is anti-climactic; the scene looks like a sports field with no changing rooms.

Certain scenes of Professor Howard Banks' translation are very good. I would single out the argument between Creon and Haemon, which becomes the strongest scene in the play. I was less happy about the sentry's speeches, one of which ends,

"However nothing matters except my safety," by which he meant when it came to trouble he valued his own life more than anyone else's.

Shirley Knight Hopkins' *Antigone* has plenty of sound and fury, little subtlety of will. Jeffery Wicks' Creon is slow, slightly colourless, but rock-solid in intent. The most moving performance is that of Michael Elphick as Haemon and in it we can feel the intellectual qualities of Sophocles, and experience the pursuit of wisdom. Little of this is evident in the costumes. The males of the Theban Chorus look like a confection of Greek Orthodox priests, while their female counterparts seem to be wearing black bath caps. The delivery of their lines is effectively split up, though I didn't care for all the buzzing nasal harmonics.

### Patterson's Horn Concerto

The music of Paul Patterson is familiar to Nottingham audiences through his former position as composer-in-ordinary to the locally based English Sinfonia. Two new works by him have been heard during the present festival, the electronic score *Continuum* reviewed on Wednesday, and the horn concerto given by its dedicatee Ifor James, with the English Chamber Orchestra conducted by George Malcom, in the Albert Hall on Wednesday evening.

To anyone ignorant of his previous work and therefore without any evolutionary thread as a guide, the concerto is a puzzling piece. Not because it is difficult to follow, but because Patterson has chosen to write it in the idiom you would expect to-day from a composer in his 20s, namely an angular, non-classical, jazz-like tone, spiced with what were once called "wrong notes," motoric rhythms, bouncy

syncopations, lyrical second subjects for the fast movements. Some of the first movement gives the impression of a deliberate exercise in a style Patterson feels compelled to practise from his system. The rest is more convincing. In the Adagio there is some fancy string writing applied on the surface rather than growing naturally out of the material, but this decoration is excused and overshadowed by genuine lyrical warmth. The finale is a rumbustious rondo (marked *guerrero presto*, but Mr. Patterson is a cheerful warrior) returns to strongly emphasised rhythms, equally strongly diatonic, but this time with commanding and unconsciously big spirit.

The concerto has its stylist faults and inconsistencies, but it provides the solo horn with a fat virtuoso part, played by Ifor James on Wednesdays with ample fluency. The final impression left by the work was of talent and

personality temporarily on the wrong track. Something about the second and third movements provoked a lingering idea that the setting of words, for the stage or otherwise, might offer the interaction of stimulus and discipline that on this evidence abstract music fails to deliver.

The other concerto in the programme was Beethoven's violin,

performed with irresistible attack and energy by Kyung Wha Chung. If she was less compelling in the reflective episodes, that was partly because in the Nottingham Albert Hall the sound is right on top of the audience. It was invigorating to hear Beethoven with a smallish orchestra in a smallish, resonant hall. The way Mr. Malcom kept the ECO wind to the fore, though it largely destroyed the mystery, the wistfulness, of the Larghetto, gave the music an amount of muscle not to be found in routine performances.

In Beethoven and Haydn, whose London symphony ended the programme, Mr. Malcolm dug below the surface. The metaphor may have been at least in part inspired by the conductor's awkward, stilted gestures, but they brought to light many riches especially in what should be the best of the score, the contemplative kind that must call Beethoven's slow movement. Rosina's Stolen Ladder overture on the other hand was stiff, unsmiling, too fast for the woodwind's aplomb. The final impression left by the work was of talent and

### University of London Union

### School for Laughter

Anyone wandering in late to the theatre at the University of London Union this week would have thought he had stumbled on the last remaining intimate revue in the capital. A light sketch here, a gentle song there, all performed by an attractive young quartet of actors.

ANTONY THORNCROFT

and quietened the audience. The one-liners fell a bit flat, but all in all this jolly evening should amuse and bolster the confidence of foreigners and intrigue the passing Englishmen. If nothing else will be glad to have never had to get to grips with the present perfect.

RONALD CRICHTON

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### Chichester Festival Theatre

### Reunion in Vienna

by B. A. YOUNG

Robert Sherwood's comedy, which dates from 1931, belongs to a world that only survives

for us in the old films on our weekend televisions. A romance between a Prince and a commoner against a Viennese background—uniforms, waltzes, generals, everything except a musical score by Lehar or Stresemann. True, this is the Vienna of the 1930s; the uniforms may no longer be officially worn, the general is retired, the prince (a genuine Hapsburg) has been exiled since the Austrians deplored their royal family and can only pay his clandestine visit to his former mistress by sneaking over the frontier in disguise. But we will remember Vienna, to coin a phrase, as it has always been for us in the theatre, and Mr. Sherwood has contrived to give its old glitter an extra lustre by presenting it to us as a glamorous recollection of the recent past.

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"Everyone of them has been but a proxy for you" plead for the healing balm of a waltz time melody.

Frith Banbury, the director, has realised that he is dealing with a period piece and has provided a period production, with pretty period sets by the versatile Carl Tomi. The art of acting comedy has changed a lot in 40 years, and the company are to be congratulated on the ability with which they have recreated the style of the Thirties, with its flamboyant delivery and self-conscious gesture. Only Michael Aldridge, as Krug, stands outside it all; the author has made him the stern symbol of the new world, bringing the froth of the old, and keeping the Herr Professor Doktor on a tight rein, even when he takes off his coat for preparatory to throwing the rindly archduke out of his house.

Nigel Patrick has caught Rudolf exactly. Not that any archduke outside operetta ever behaved in this way, with its blend of arrogance, dignity and futility; but the type has long been standardised, and Mr. Patrick, with his swashbuckling self-inflation, breathes just the kind of life into it, if life is the proper word, that it requires.

Margaret Leighton plays the romantic role of the toast of yesterday who has become the bread-and-butter of to-day. It's not one of her great roles, but she sustains it with dignity and a good deal of humour. Around them swirls the shop soiled ro v et vient of fashionable Vienna. Frau Lucher, the famous hotel proprietress (Beatrix Lehmann), Poffy the former courtier (Brian Hayes), General Hoetzler (Harold Innocent) with his tireless recollections of unsuccessful campaigns.

The staff at Lucher's (based, presumably, on Sachter's) line up like the chorus of *Hello, Dolly!* Miss Lehmann briefs them for the party that occupies most of the middle act. I longed for them to burst into song.

### 'Lohengrin' at Sadler's Wells

On Thursday August 12 Sadler's Wells Opera will present a new production of Wagner's *Lohengrin*, the last opera that Wagner completed before he embarked upon the Ring.

It will be Colin Graham's first Wagner production. The conductor will be Charles Mackerras and the designer Michael Knight. The new English translation is by Gordon Kenner.

The artists are very professional. There is Joyce Rae, fresh from the lead in *Hair*, and Richard Franklin, who helps our Doctor Who each week, and Miranda Bell and John Colclough. They seem to enjoy it all. The lights are bright, the clothes are grey, there are some lively slides, and even a spoof striptease which rather shocked

Sara Kestelman, Sebastian Shaw, Mary Rutherford, Brenda Bruce and Helen Mirren in the Royal Shakespeare production of Gorky's "Enemies" which opened last night at the Aldwych Theatre

DON'T START WITHOUT ME

## Cinema

# Edge of the mind

By DAVID ROBINSON

**King Lear (A)** ... (Prince Charles Theatre)  
**The Horsemen (AA)** ... (Astoria, Charing Cross Road)  
**The Devils (X)** ... (Warner Rendezvous)

I have unfortunately not yet seen the film adaptation of King Lear by the veteran Soviet director Grigori Kozintsev whose *Hamlet* is unquestionably the most intelligent screen version of Shakespeare to date. A recent long article by Kozintsev's contemporary from the 20s and the "Heroic Revolutionary" era of Soviet art, Sergei Yutkevitch, indicates that his approach to very difficult plays is to place it in a much broader socio-context, setting the King's capricious and erratic action against the background of a whole medieval society. Peter Brook's version starts with shots panning over a vast crowd of Lear's subjects; but they are hardly glimpsed again after the titles; and the film soon settles down to a more traditional interpretation of the play as a rather intimate family affair.

Scofield's reading of the text is often a marvel; he discovers new cadences in the strange repetitions which are peculiar to Lear, and makes out of "Never, never, never, never" a whole speech, complex and poignant.

He has an appropriately weighty entourage. Jack McGowran is an older, tougher fool than usual, and not so dismal as the character can easily become.

Irene Worth is a stubbornly and incurably stupid General; Susan Engel is a horribly precious and lady-like Regan; Alan Webb is dithyrambic, well-meaning, plump, gullible Gloucester; Tom Fleming is a curvy and unyielding old curmudgeon.

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Susan Engel as Regan taunts the blind Gloucester—in "King Lear"

After this remains wily and alert, even acutely conscious that his own passion, if unchecked, is going to undo him. After this is a clear parabolic progress to the peak of madness (which with Scofield is never without enough underlying shrewdness to indicate the extent to which the steps into insanity might be voluntary) and then to a resolution in the final calm, when Lear, in losing his reason, seems to have acquired some instinctive wisdom and humanity that were lacking in his former state.

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Engel goes much of that quality Graville-Barker perceived in the play's eccentric structure, that some character, come circumstance, or a few salient and explicit phrases will always be found pointing the action on its way. Now the play and Scofield's performance too seem obscured behind all the cinematographic devices and effects. On occasion obscured in a very literal sense, for Brook has devised a storm which totally drowns out Lear's words. At the best of times it is often rather difficult to fix attention on the text with the distraction of visuals which seem to counter rather than emphasise the action. It was compliment to say of Keao that his playing was like reading Shakespeare by flashes of lightning; it is a reproach to Brook to say that the illumination of his version is similarly intermittent.

All this is the more frustrating since there are marvellous moments, fine insights: Lear's mounting suspicion of the disloyalty he is at first only senses; the trial of the Joads—a fine exercise in the absurd; above all the end, with the two broken feathers, one blind, the other mad, slowly recognising and then helplessly, despairingly comforting each other on the sad, wild beach.

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## Farming and Raw Materials

# Surprise price drop hits Argentine beef supplies

By GODFREY BROWN

## EEC threat to apples market

CREASED imports of apples and pears by Britain from the Common Market could seriously upset the delicate balance of supply and demand in the industry, says the annual report of the Apple and Pear Development Council, published yesterday.

The report says that present underlying trends "show that to drop year supplies of dessert apples are more than sufficient to meet demand, culinary apples substantially over-supplied, I the position for pears is satisfactory."

Meanwhile, in Sydney the Australian Apple and Pear Board warned that it faced an unprecedented increase in freight charges for 1972 reports later.

It said there could be a 25 per cent. rise in freight rates the U.K. and Europe.

## Fruit traders in new link with growers

By Our Commodities Staff

Formation of two new companies to establish closer links between fruit and vegetable growers was announced yesterday. Saphir, Sons & Co., London, a merchant, a company of E&P-Saphir is being formed by Saphir and East Kent Growers, one Britain's biggest growers' co-operatives, with initial share capital of £100,000 subscribed equally by the two parties.

Saphir already has close links with East Kent Packers in the keeping of the co-operative's own home-grown apples and also helps to provide all-the-year throughput. The company will be responsible for all its activities such as transportation, storage, packing and Saphir and Sons (Kent), the new company formed with initial capital of £10,000, is a spin-off with another producers' co-operative, Vegetable Growers Ltd.

In this case Saphir is to act as agents for the co-operative and be responsible for all its activities over packhouse foremen. In other words the two will concentrate on growing and Saphir on the marketing somewhat similar arrangement to the East Kent Packers.

One report said the more

competition for supplies on the high-priced Buenos Aires market.

Already, Argentine shipments which had been stepped up from the very low level of 500-600 tons a week earlier this year to the 1,000-1,200 tons mark in response to the firm market here have fallen back to around 800 tons and could go still lower.

Argentine chilled boneless cuts are currently wholesaling at lower prices than at this time a year ago, and have continued to fall this week, unlike Scotch and Irish beef which has tended to firm. Scotch sides were being quoted yesterday at 18.5-20.5p a lb against 17.5-20.6p the previous week.

This slight uptrend is not because of a pick-up in demand, but reflects holding off of Argentine producers who are either engaged in more intensive farming operations at this time of the year, or expect prices to move higher again.

Elsewhere, first-hand bacon prices were marked down by £15 to £20 a ton on the London Provision Exchange yesterday. British A1 was priced at £325 a ton against £340-48 the previous week, while Danish A1 was £15 lower at £345.

An increase of 1p to 1p a 7½ oz pack came into effect this week on Wall's deli-cured bacon.

The company said the decision to raise prices was taken a month

ago and was forced on the company by the rise in raw material prices. British bacon is currently some £65 a ton above the Mercosur April levels.

See food prices table Page 30

## Import quota for tomato concentrates

By Reginald Dale,  
Common Market Correspondent

BRUSSELS, July 22

THE Common Market is to introduce safeguard measures against imported tomato concentrates from August 8, the Brussels Commission announced yesterday. From that date, tomato concentrates coming into the Community will require import licences issued on the basis of a quota system which has still to be finalised.

The Commission fears that if nothing is done to curb imports, the Community could be faced with a 200,000-ton tomato surplus in June, primarily because deliveries in the U.S. were well above refined production.

In Chile about 6,500 workers at the El Salvador copper mine have turned down a pay increase of 23 per cent offered by the company. The unions have threatened to strike when the current contract expires.

In Peru the Southern Peru Copper Corp. says production has returned to normal at its Tiquemata mine and Illo refinery, following the settlement of a strike there.

## Progress in U.S. copper strike talks

By John Edwards

PROGRESS towards a settlement of new contract terms with Kennecott, the largest U.S. copper producer, was made at talks between the company and the workers' union, Reuter reported from Salt Lake City yesterday.

A union spokesman said it was hoped that a memorandum of agreement would be finalised in time for the meeting of the non-ferrous metals labour conference at Salt Lake City tomorrow when there is a possibility that the strike by U.S. copper workers, which started on July 1, will be called off.

The language of the tentative agreement reached with Anaconda is still being "finalised" according to the union spokesman, but the unions have requested a further meeting with Phelps Dodge.

London copper prices remained steady yesterday awaiting the outcome of today's meeting. Meanwhile the U.S. Copper Institute reported that standard stocks fell by 42,000 short tons in June, primarily because deliveries in the U.S. were well above refined production.

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## NORWEGIAN AGRICULTURE

# EEC entry could mean total disaster

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

NORWAY is qualifying its application for EEC entry by insisting that neither the Community's fishing nor agricultural policies should be applied there. After a week looking at Norwegian farming it is easy to understand why.

The Norwegian fjord country provides a contrast of steep mountains rising straight from the water's edge, interspersed with little patches of green fields where a handful of families, sometimes even a single one, farm sufficient grassland to support a few cows, gold of pastures, or other crops.

Sometimes the area of better land farmed is big enough to support a whole community, such as Ivalo, the other day while staying at Leikanger on the Sondre Fjord. I left on the village in a motor-boat—otherwise the school "bus"—and after an hour's tossing across stormy water reached Otevanger, which has no other access than the fjord.

It is a community of about 400 people, mainly farmers, and seems to support quite a reasonable way of life. There are cars and local roads, a church and a small supermarket where the prices for such commodities as pork chops and butter, both over 50p per pound, made me realise the high cost of everyday living in Norway.

On arrival I was driven to a farm on the 1,400 feet level, well above patches of melting snow on the opposite northern face of the mountains. The farmer has 7½ acres of land, practically all of it so stony as to make agriculture dangerous. He milks five cows, has 15 ewes and their lambs, which at this time are roaming in the mountains, and for his main source of income just under two acres of strawberries and a few raspberries.

In the winter he converts timber from his forest area—all farms have some—into herring boxes and other rudimentary products in his own small sawmill. The whole work of the farm is done by himself, his wife and one unmarried son.

His milk is taken to the factory by the same route as I

was taking by road, by water, by road again. His strawberries go to a cannery near Leikanger. His total gross income would be roughly £4,500 and he seemed to be maintaining a reasonable standard of living, as from appearances were most of his neighbours.

Not all Norwegian farmers are as isolated as he is, some have better farms in more accessible areas, notably oester Oslo. But in the Leikanger district there are opportunities in fruit growing, and Norway would naturally become a net contributor to FEFCGA, the Common Agricultural Fund. These higher food prices would add to the burdens of the Norwegian consumer, who appears to accept the present high cost of farm subsidisation with reasonable understanding, but might object if it became much higher.

Even so it would seem quite obvious that rural depopulation is bound to continue. The average age of all farmers is 58, and already you can see, as can be seen in many other parts of Europe, odd patches of land going out of cultivation becoming covered with weeds or secondary growth. Farmers old and young are leaving, despite their extraordinary good yields and high milk prices, and there is no doubt that younger people are finding an easier way of life in the towns. However there has not yet been an exodus comparable with that in central and southern France, where more good land is derelict than is being farmed in Norway to-day.

The biggest obstacle to any rationalisation of Norwegian farming is simply that soil conditions make large-scale mechanisation virtually impossible, while climatic extremes would be bound to make Norway virtually uncompetitive with any other Common Market.

The social changes that the Common Agricultural Policy would mean are such that unless Norway is permitted to opt out of its implementation, she is unlikely to join. To try to force entry so far would seem to be unreason-

## Australia approves wool subsidy plan

SYDNEY, July 22

THE Australian federal cabinet to-day approved a wool subsidy scheme guaranteeing graziers an average of 36 cents a pound for wool over the next year, Sydney radio stations reported to-day from Canberra.

The plan would cost about \$A160m, if wool prices at the auctions remained at 30 cents per lb over the financial year ending June 30, 1972, the report said.

The country party, which forms the coalition government with the liberal party, originally had sought a guaranteed price of 40 cents per lb.

This figure was opposed by the liberals who favour a reconstruction plan for the wool industry.

Details of the plan are not due to be given until the Federal budget is brought down on Aug. 17.

In addition, the cabinet was reported to have approved long-term assistance for woolgrowers that would not involve an immediate cash handout.

One report said the more

economic graziers would be able to obtain long-term low-interest loans to help them over the current depressed state of the wool industry.

Graziers who claim their financial position is hopeless will be helped to leave their land under a rural reconstruction scheme, the report said.

## MORE SALES OF U.S. GOVERNMENT BUTTER STOCKS

WASHINGTON, July 22

The Commodity Credit Corporation sold a further 199,910 lbs of government-owned butter to exporters for unrestricted shipment.

The butter was sold to Amtraco Corporation, of New York, at the fixed selling price of 50 cents a pound, f.a.s. vessel at port of shipment, from Kansas City, Kansas.

The Minneapolis CCC office will accept bids on 15.3m. lbs of butter by July 27.

Reuter

## FISHERMEN PLAN MARKET PROTEST

About 80 South Coast fishing boats will moor off-shore at Southsea, Hants, on Sunday as part of a demonstration by inshore fishermen against the proposed terms for Britain joining the Common Market.

Fishermen in the 80 boats will gather to the shore to join a protest meeting on Southsea front organised by the South Coast Net Fishermen's Association.

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LEAD—Marginally lower in quiet market, but a little more trade was shown in the afternoon. Turners

Mornings: cash £10.05, late-July 10.15, three months £10.15, three months £10.25.

Afternoons: £10.15, £10.25.

Turners: £10.15, £10.25.

Lead—Prices held steady in quiet market, but a little more trade was shown in the afternoon. Turners

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LEAD—Up 10p a ton over last week, reflecting increased demand for export.

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The Financial Times Friday July 23 1971

## American News

### U.S. steel company shutdown

**NEW YORK, July 22.** FAILURE in its attempt to circumvent a possible national steel strike has led Wheeling-Pittsburgh, the ninth largest steel company in the U.S., to begin a shutdown of its operations more than a week before the strike deadline arrives.

Earlier this year, the company decided to opt out of the national steel negotiations between industry leaders and the United Steelworkers Union and aim instead at an individual solution that would not result in a shutdown whatever the outcome of the talks. It asked the union to extend its labour contract beyond August, the strike deadline, on the understanding that when and if the striking union reached an agreement with the management of the major companies over wages for the next three years, it would abide by their terms. The union has granted similar requests from other small steel manufacturers, but yesterday turned down Wheeling-Pittsburgh. Now the company has reacted by initiating a run-down of its plants well before the national strike has become a certainty.

#### Evidence

The move does not appear to bode well for the company's labour relations. But while some observers have taken the incident as an example of union militancy, it does not have great bearing on the progress in the main talks which are taking place in Washington.

The Wheeling management clearly anticipates a strike, but there is so far little other evidence that the talks are going particularly badly. The union has insisted in the past that it will not accept anything under the settlement negotiated for the aluminium industry earlier this year, which gave workers an increase over three years of 31 per cent. The only fresh precedent that has been established since then is the beginning of a settlement in the copper strike in which the union, also the United Steelworkers, has apparently achieved something closer to 33 per cent, complete with an unlimited cost of living escalator.

## U.S. Treasury issues first long-term bond since 1965

BY GUY DE JONQUIERES

THE U.S. Treasury has decided to offer its first long-term bond issue in more than six years. The bond, which will be available to the general public, will run for ten years and will bear a nominal interest rate of 7 per cent.

This offering is the result of an understanding reached with Congress earlier this year which permits the Treasury to sell up to \$10,000m. of long-term bonds bearing interest rates higher than the 4.25 per cent ceiling set by a Statute that has been in force since 1918.

The last time the Treasury issued a long-term bond issue was in May, 1968. Since then, the statutory ceiling has prevented them making offerings competitive in the longer end of the market, where rates have risen steadily.

The new issue will be

denominated in units of \$1,000 and will be offered at a small discount, at \$992, to bear an effective interest rate of 7.11 per cent. It was implicit in the understanding with Congress that future long-term bond issues should be made available to private investors as well as to institutions.

#### Borrowing plans

Nevertheless, the Treasury does not expect that there will be an enormous demand for the issue. Indeed, anxious lest it cause an outflow of private capital from savings accounts and building societies, officials are being rather cautious about pushing it on to the public.

The long-term bond is part of the new borrowing plans announced by the Treasury to meet

WASHINGTON, July 22.

the budget deficit during fiscal 1972, which opened on July 1, and which has been estimated at more than \$18 billion.

Holders of \$5,100m. of securities maturing on August 15 will be offered a choice between exchanging them for the new long-term bonds or for notes with a 51-month maturity, which are also priced to yield about 7 per cent. The Treasury also plans to raise about \$1,000m. by auctioning short-term notes next month.

The Under-Secretary for Monetary Affairs, Mr. Paul Volcker, also said that the Treasury will have to make a new cash borrowing of between \$2,500m. and \$3,000m. sometime in early September, with the need for further "fairly sizeable amounts" in October and November.

## GE cuts workforce by 7,000

BY NICHOLAS COLCHESTER

NEW YORK, July 22.

THE BANKRUPT Penn Central Transportation Company suffered its smallest operating loss for a single month in June since declared insolvency just over a year ago. The deficit of \$1.8m. compares with a loss of \$26.4m. in the same month last year (subsequently widened to over \$45m. by special \$17m. write-off).

The four court-appointed trustees who are managing the affairs of the insolvent railroad also announced that the firm's cash position had actually improved by \$17.4m. in June and added that if all went reasonably well there was a good chance that additional outside funds would not be needed for the rest of the year.

Clearly the position could change if Penn Central's revenues are hit by either a steel strike (which now appears more likely than not) or by an extension of the currently limited strike against two other railroads. But the mere fact that the trustees were able to hold out such optimism for the rest of the year has come as something of a welcome surprise among observers who were convinced that a further Federal loan guarantee would be needed within the next month or two to supplement the \$100m. already advanced.

Of course, the improvement in June does not put much of a better face on half-yearly results that remain by any standards, absolutely disastrous. For the six months of the year to date, Penn Central's operating losses come to \$128m. better than the \$149m. of the same period last year, but scarcely glittering.

#### AIR CANADA STRIKE ENDS

BY OUR OWN CORRESPONDENT

OTTAWA, July 22.

Air Canada services were expected to return to normal today after an early morning agreement between the company and union officials representing machinists and ground personnel. The union staged its second rotating 24-hour strike on Wednesday afternoon at Montreal International airport but only seven flights had to be cancelled as supervisory and white collar company employees performed baggage and other duties.

GENERAL ELECTRIC

THE drastic cut-back has resulted from the cancellation of the supersonic transport project for which GE was building the jet engines, and from the slackening of spending in the military and civil aviation sectors. When the SST was killed in March General Electric immediately announced that it would have to eliminate 1,600 jobs—mainly at its largest engine plant at Evendale in Ohio. But the announcement was carefully phrased in terms of jobs rather than people and the hope was that the company would be able to redeploy those who had been put out of work. Yesterday GE did not mince its words—it is 7,000 people, not jobs, who will be going between now and early next year.

General Electric explained

that it had been relying on

## U.S. FOREIGN AFFAIRS

## Decisions must be taken

BY JOHN GRAHAM, U.S. EDITOR

ONE OF THE CLICHES about Richard Nixon, that he is a foreign affairs man, more interested in America's international relations than in particular domestic problems, is being borne out strongly at the moment. Of course his forthcoming visit to China has dominated newspapers and conversations for the last week, but even apart from this there is an extraordinary degree of activity in foreign policy just now.

Some decisions of the highest importance will be taken in Washington before the end of the year.

The problems and activity are

all the more noticeable for

the lack of action or movement on

domestic issues.

The US Administration has decided to do

nothing about the economy;

measures such as the British

Chancellor's tax cuts have been

specifically ruled out.

Mr. Nixon's revolutionary "New

Federalism" is hanging fire,

with the different parts of it

trudging in emasculated form

through the legislative process.

Existing policies are to be given

more time to work; nothing

startling need is expected.

But in the State Department

and the Pentagon and those

offices of the White House which

deal with the world as a whole,

there is more than enough

turmoil to keep the stock.

The following list of active items

on the global agenda is not

necessarily complete.

CHINA AND VIETNAM: The

Administration has been at pains

ever since the President's broad-

cast last week to play down any

speculation that his visit to

Peking may accelerate the end

of the Vietnam war. The

obvious reason for this is that

secrecy must be maintained,

especially when dealing with the

Chinese. The reasoning is

simple: if the speculation is

false, it must be discouraged;

if it is true, it must also be dis-

couraged, since the public

expression of it will tend to

invalid it.

Yet there can be no reason-

able doubt that the Administra-

tion believes the Chinese may

be able to play a crucial role in

the next stages of the disengag-

ment from Vietnam. No other

proof is needed but the presence

in Peking with Dr. Kissinger of

one of his staff, Mr. Smyser, who

is an expert on Vietnam and on

nothing else.

CHINA AND JAPAN: More

speculative is a theory starting to

get the rounds in Washington that

one of the reasons for China's

willingness to start to do busi-

ness with the U.S. is not so much

the Chinese fear of Russia, but

their fear of Japan. Obviously

the Chinese are in an awkward

position, caught between Russia

and Japan. Both countries are

considerably more powerful than

China, and neither is tradi-

tional ally.

THE AMERICAS: Just as new

policies, or at least new negotiat-

ing methods, are needed for

Japan, so they are needed for

South America. The certain ex-

tent there is in the U.S.

to do to solve its problems in

Latin America is that the Japanese

should develop an important

nuclear arsenal in a very few

years if they decided to.

THE MIDDLE EAST: This is not at

all the case in the Middle East,

which has received the atten-

tion of some of America's best

diplomats for years. The

Administration is trying again to

resolve the stalemate over

reopening the Suez Canal. Mr.

Sisco, Assistant Secretary of

State for the Middle East, is

about to go to the area, following

last month's efforts in Cairo. The

White House is anxious about

recent aircraft deliveries by the

Russians to the UAR, but it is

more hindered in its efforts

to get an interim solution by

Soviet-Egyptian treaty, which

effectively baited the admitted

painfully slow progress that was

being made.

RELATIONS WITH DICTATORSHIPS: One innovation

is almost total lack of embarrass-

ment in dealing publicly with

dictatorships of the Spanish

Greek-Pakistani sort. Previous

administrations, perfumed

condemned the iniquities of su-

per-military juntas while doing lit-

er of nothing to correct them. The Nixon Administration, true to

its self-professed pragmatism, has

ideological hang-ups of its

nature. One can cite the

rapprochement with Spai-

especially.

LATIN AMERICA: Just as new

policies, or at least new negotiat-

ing methods, are needed for

## Attack on cut in mission support

By David Curry

**SHARP** attack on the Government's decision to cut the funds available for export promotion comes from Mr. C. H. Jordan, president of the Hardware Manufacturers' Association, in his July newsletter. He writes that the linkage of funds to support missions and the winding up of EEC was difficult to understand at a time when the Government's preaching that companies could think of sales in international terms.

In January the Association in conjunction with Universal Exhibitions and BNEC had brought representatives of 24 hardware trading organisations to London for the International Hardware Trades Fair. Orders worth several million pounds "were selected to result."

### Infra

Because of the cut in mission studies the plan to sponsor 24 American hardware dealers in a London trip had to be curtailed and only 10 buyers from America and Canada could be invited overseas.

"This is at a time when we are being persuaded to internationalise our thinking, particularly towards Europe and the U.S.A." he comments.

Some relevance of governmental expenditure may be won from the fact that U.K. exports in 1970 ran at an approximate level of £8,000m, and analysis of costs by some of larger companies shows that if export selling costs were going at 10 per cent. of this (£800m).

The total budget of BNEC for its selling missions, inward-looking missions and market surveys of the type that we have beneficially used in the hardware industry, came to approximately £5m. When this is compared with Corporation Tax 42 per cent. on the profits on these £8,000m. exports, one sees in reality how little both past and present governments have spared the export drive.

To demolish a successful organisation which, whatever its faults, was achieving a great deal for the British industry in the export field, without being able to replace it with something tangible than just a name like Export Board—demonstrates a lack of forethought and vision which is strange from government dedicated to widening the horizons of our thinking," Mr. Jordan declares.



Samples of McVitie's biscuits being offered for tasting in a Japanese store. The Japanese preferred the cream sandwich and better quality plain biscuit, being less enthusiastic than the British about vibrant artificial colouring.

## United Biscuits goes for the Japanese mass market

By DAVID CURRY, EXPORTS EDITOR

A 12-MONTH test marketing operation about to be conducted by the British biscuit-making giant, United Biscuits, and the largest confectionery manufacturer in Japan, Meiji Seika Kaisha, is expected to lead to the large scale manufacture of British biscuits in Japan.

United Biscuits and Meiji have exchanged Letters of Intent to run the test marketing operation with a view to a future local manufacture tie-up between the two companies. The test will involve the sale in Japan over the next 12 months of British-made McVitie's biscuits and heavy import tariffs and stringent labelling and ingredient regulations have made it obvious to British biscuit exporters that

to ensure that the Japanese-made product will not fall below the present McVitie's standard. The joint venture will continue to obtain its supplies of tinned assortments, which sell well in the Far East, from the U.K. factories of UB. It is intended that production will start about the beginning of 1973.

### Brand-name

The jointly produced biscuits will retain the traditional packaging, labelling and brand-names.

Heavy import tariffs and stringent labelling and ingredient regulations have made it obvious to British biscuit exporters that

an arrangement such as that projected by UB is, in the long term, the only answer for any company aiming at large scale penetration of the massive Japanese market.

While packet biscuits continue to sell at prices which put them in the speciality category, no British-made packet biscuit can hope to make real inroads into the mass market.

If this new venture is successful it will be the first of its kind between a British and a Japanese biscuit company.

The losses involved in marketing the "test" biscuits at popular prices will be attributed to the new company.

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## European News

# EEC refuses to postpone talks with non-candidates

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, July 22.

THE PERMANENT representatives of the six Common Market countries to-day confirmed their rejection of a proposal by the Brussels Commission which would have effectively postponed negotiations with European countries seeking less than full membership of the Community until after Britain joins.

In a report which will form the basis for a discussion of the future status of the non-candidates by the six foreign ministers next Monday, the permanent representatives also agreed that the Community would need safeguard clauses to apply in the event of disruptive inflows of imports from the non-candidates. It was accepted that there should be a review of the working of the arrangements in the years following the Community's enlargement, but there is not as yet full agreement either on the exact timing or the scope of such a review.

Our Stockholm Correspondent adds: It was made quite clear to-day that whatever special terms Sweden manages to negotiate with the Common Market, she will not play any part in the decision making of an enlarged Community.

M. Maurice Schumann, the French Foreign Minister underlined at a Press conference following two days of talks with Swedish Government leaders.

From the Community's point of view he said that Sweden would be expected to fulfil her obligations in full if she wanted full membership. The Minister concluded by saying that a non-member could not have any participation in decision making, the Swedish ministers he had spoken to understood that he said.

An alternative, M. Schumann said, would be for the EFTA neutral countries that did not want to join the Community to form a free trade area with the Common Market, but they could not expect this to be unconditional.

## Commission proposes talks with Cyprus

BY REGINALD DALE

BRUSSELS, July 22.

THE BRUSSELS Commission has asked the Six to open negotiations with Cyprus for a trade pact linking the island with the Common Market. The aim is to establish either an association agreement or a preferential commercial arrangement.

The final form of the arrangement will be determined in the course of the negotiations, which will probably start later this year. But delicate political considerations are involved, as Turkey has protested to the Community against the opening of negotiations with the Makarios regime unless direct contacts are also established with the country's Turkish Cypriot minority.

Mr. Kuchuk, the Vice-President of Cyprus and leader of the Turkish community, has also informed Brussels that he wants consultations with the Turkish inhabitants in the course of the negotiations. As this is a strictly

## Italy joins reactor project

By Christopher Lorenz

FRANKFURT, July 22.

ENEL Nazionale per l'Energia Elettrica (ENEL), the Italian electricity concern, is to join Electricité de France and the German RWE in their project to build two 1,000MW sodium cooled fast breeder reactors, one in France and one in Germany. For the present there are no plans for the new partners to build a similar installation in Italy, an RWE spokesman said to-day.

ENEL's decision will considerably strengthen the scheme's financial position particularly as there is now a third potential source of State support. RWE said that Government aid was vital for the scheme and that talks were already under way with the Science Ministry in Bonn.

Under the Franco-German agreement signed in Paris in May, two joint subsidiaries are to be set up, one in France, the other in Germany. In France, Electricité de France will have a 50 per cent share and RWE will take a one-sixth stake. In Germany, the size of the holdings will be reversed. ENEL will control one-third of each company, so that overall the three partners will each have a 33.3 per cent stake in the project.

Meidow negotiations are still going on to find a company to take over Krupp's share in the nuclear engineering subsidiary it owns jointly with the German Brown Boveri group. Earlier this month Krupp let it be known that it had decided to sell its 50 per cent stake in the company, Brown Boveri/Krupp, of Cologne.

## D-Mark reaches record level

By Christopher Lorenz

FRANKFURT, July 22.

THE D-MARK this morning floated to a record high of DM 3.460 to the U.S. dollar, equivalent to a revaluation of over 5.8 per cent. When the Bundesbank refused to sell at this level the dollar firmed slightly, and at the midday fixing was DM 3.4650, considerably lower than yesterday's DM 3.4733. With the Bundesbank still refusing to off-load dollars the closing rate was around DM 3.4665.

Following yesterday's statement by Dr. Karl Klaesel, the Bundesbank President, that he would be happy to get rid of a further DM 10,000m worth of dollars, Frankfurt dealers are not unnaturally expecting further official sales shortly with the mark climbing still higher as a result.

## Encouragement for Ireland

By Dominick J. Coyle

DUBLIN, July 22.

THE CONTINUING high rate of unemployment and a growing balance of payments deficit on current account are highlighted in the Irish Central Bank's annual review of the economy. In general, says the review, the economic picture still remains uncertain.

However, the Central Bank sees some encouraging signs, based on data for the early months of this year, that strong economic growth is about to be resumed, and it points to the sizeable increase in imports of capital items and of goods requiring further processing.

But the bank is still concerned at the high level of imports overall, and the review specifies that imported materials "for further production" probably contain a substantial proportion of goods of a highly processed nature "for almost immediate consumption." The current buoyancy of this category of imports may well, therefore, reflect a tendency for imports to have a higher finished content, resulting in a lower value addition by way of domestic production... a consequence of the higher domestic costs relative to those of our foreign trading partners."

## Spain confirms cholera cases

THE Spanish authorities to-night confirmed there had been seven cases of mild cholera in the Jalon Valley of Saragossa province, but said the patients had all recovered.

The authorities broke their silence with a brief official statement issued by the Spanish health services which said that no new case of cholera had been reported, and stressed that the outbreak was strictly localised and of a mild nature.

Vaccination was not necessary except in zones where it was advised by the health authorities, the statement added.

David Fishlock, Science Editor, adds: The World Health Organisation (WHO) emphasises that no country is safe from cholera. During 1970 the disease was more widespread than at any time since the pandemic of 1961, appearing in some countries of

North, East and West Africa for the first time this century.

Cholera was present, with varying degrees of severity, in 22 countries last year, but none of them European. Reports of outbreaks in several other countries were unconfirmed, and the WHO believes that the unnotified presence of cholera in these countries "may have contributed significantly to its spread in the latter part of the year."

Their reticence lies with the fact that a cholera outbreak is seen to reflect severely on a country's standards of hygiene. The infection is normally transmitted by water and the disease is endemic in places where water supplies and sanitation are inadequate.

Vaccination is strongly advised for anyone travelling to regions where the disease is endemic.

## AUSTRIA

# Kreisky gambles on quick poll

BY PAUL LANDVAY, VIENNA CORRESPONDENT



Dr. Bruno Kreisky

AFTER barely 18 months in office (the shortest cabinet reign in post-war Austrian history), the ruling Socialist Party led by Dr. Bruno Kreisky has deliberately dissolved parliament. To outsiders last week's decision could look like political suicide: the opinion polls still give the Socialists a lead over their main rivals, the People's Party, but the lead is getting smaller, and by voting day (October 10), it may have disappeared altogether.

What, then, are the reasons for a seemingly risky decision, liable to provoke the displeasure of the Austrian voters, so long accustomed to political stability? Does the dissolution of Parliament 2½ years before the statutory term mean that the Socialist minority Government has been a "total failure" as claimed by the People's Party? If this is so why has the People's Party failed to propose a motion of no confidence?

To understand the background to this fascinating experiment in post-war Austrian politics, one has to remember the past and recent shifts in the balance of political power. Until 1966 Austria was governed by successive "red-black" coalition Governments formed by the Socialists and the People's Party. Through those two decades the People's Party was in terms of parliamentary seats if not always in those of popular vote, the strongest party, invariably providing the Federal Chancellor. Due to factional infighting among the Socialists and a series of political blunders, the People's Party in March 1966 achieved a resounding electoral victory, capturing the absolute majority of Parliament.

But only four years later, on March 1, 1970, the Socialists under their new Chairman, Dr. Kreisky, scored an unexpected victory: for the first time they became the strongest party. Yet though the Socialist share of the popular vote was almost exactly as large as that gained by the People's Party four years earlier, they fell two seats short of the absolute majority because of the quirks of the electoral system. The Socialists have 81 seats out of a total of 185, the

reduction of military service from nine to six months—supported the minority Cabinet. The reason was that the Socialists paid the high price of an electoral reform, which would eliminate the most glaring injustices but virtually exclude the possibility of any party gaining an absolute majority. Up to now, the Freedom Party for example needed twice as many votes in order to gain a seat as either of the two large parties.

Under seven weeks of protracted and fruitless bickering with the People's Party, Dr. Kreisky suddenly switched to a "go-it-alone" line and with the approval of the Federal President, Herr Franz Jozas, also a Socialist, formed a minority Government, the first since the Second World War. Contrary to gloomy predictions, his Government took the hurdle of its first Budget last year with the aid of the six Freedom Party deputies and has all along retained the political initiative.

Ever since April 1970 the country has in fact been ruled by a tacit coalition of the ruling Socialists and the seemingly opposition Freedom Party, who on all crucial issues—Budget,

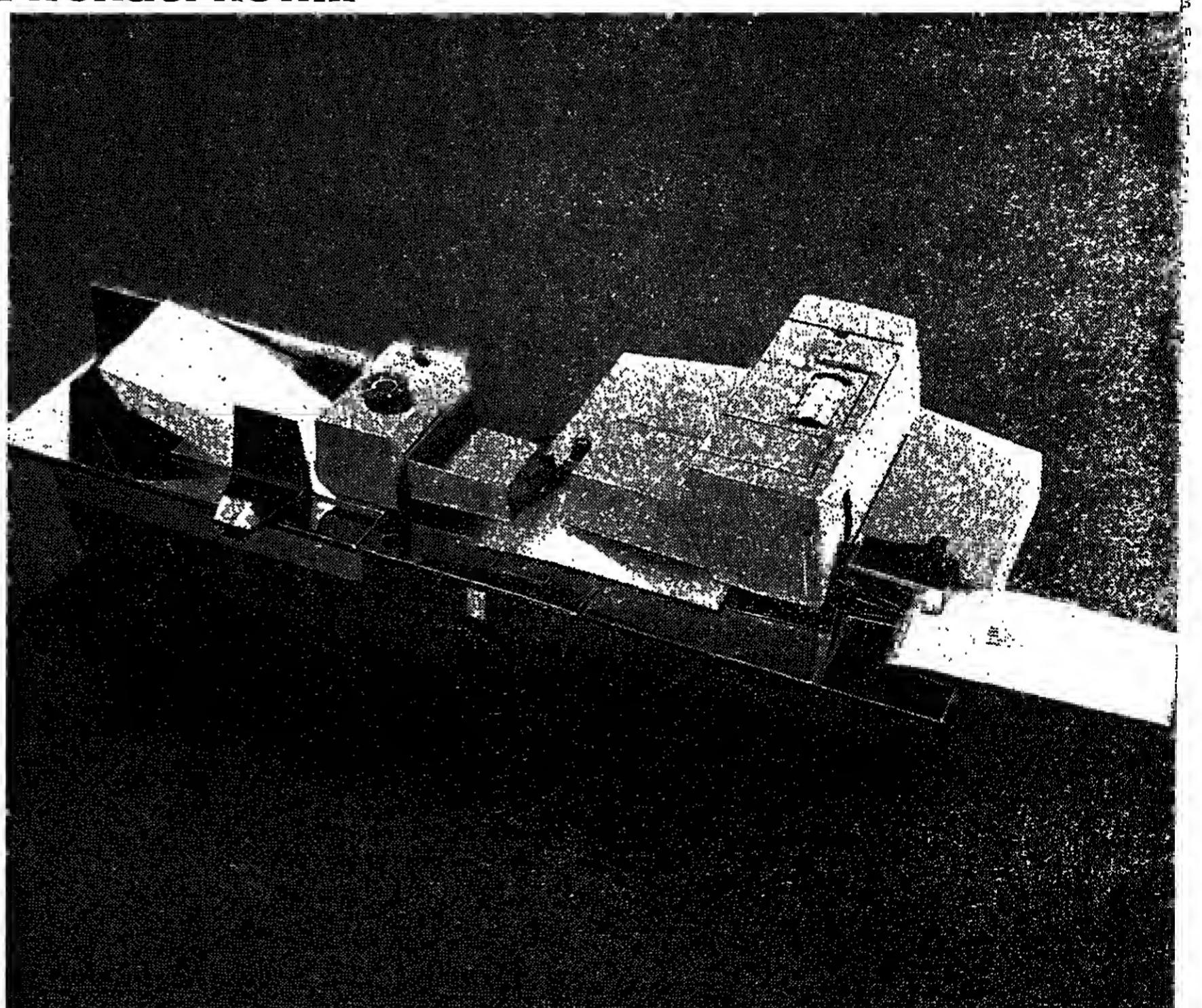
economic experiments. Also, Chancellor Kreisky's tactical skill has given added impetus to the centrifugal forces in the People's Party, a weird conglomerate of industrialists, farmers and non-socialist black-coated workers. The party, in the throes of a profound crisis of confidence, has just elected its third chairman within a year or so. Finally, the successful co-operation between the Socialists and the Freedom Party (a mixture of liberal, pan-German and nationalist elements) has prepared the ground for a "red-red" coalition of Socialists and Freedom Party after the next elections.

On the credit side, one single out the revitalisation of Parliament, the important reforms initiated by the Minister of Justice, Dr. Christian Breuer, and the pioneering measures carried out or projected in the long-neglected field of research and development as well as higher education by Dr. Heinz Finsberg, the head of the Ministry of Research.

The Chancellor himself dominates Austrian politics, but at every crucial juncture outmaneuvered and outflanked both the old-timers in his party and the opposition People's Party. But the Austrian voter has lately become undecided, and with two months to go, polling again whether a comeback by the People's Party can be couple excluded. In terms of public relationships and from a Social point of view, the exertions of the minority Government have been a success.

But as far as Austria's future is concerned it is now time for a more broadly based government, of whatever colour, which is capable of solving problems rather than merely seeking popularity. Owing to the present threat of early elections, all three parties in Parliament have been conducting an uninterrupted albeit camouflaged election campaign. With the result, namely, each party of equal strength and pretensions above all its able young Finance Minister, Dr. Hans Peter Andrusch, have not made any major move that might have shaken the confidence of foreign and domestic investors. The real growth of GNP last year was 7.1 per cent, second only to that in Japan among the OECD countries. It is likely to reach 5 per cent this year. Fixed investment, industrial output and construction are booming and the 5.05 per cent revaluation of the Schilling in May was a logical consequence of the strong external payments position. Nevertheless, the consumer price index in May was 4.2 per cent, up on the same month last year, and the cap is expected to end at 4.5 per cent by the end of the year. It is regarded as a stabilisation measure, more probably inflation control, with a firm majority shop able to tackle in earnest outstanding economic and social issues.

## wonder how...



## ...they judge a good Postfreistempler?

This Postfreistempler\* went to Hanover Fair and won itself an Award for Design from the Deutsche Messe judges. It's a Roneo-Neopost 505A franking machine and it won Die Gute Industrieform Hannover 1971 Award as an "outstanding exhibit" of clear modern design and businesslike elegance.

Which is very nice to know but not necessarily relevant when it comes to actual working performance when the mail piles high and the clock hands poise for the last post. But

\*more strictly Frankiermaschine (automatic postal franking machine).

### ANOTHER DESIGN AWARD FOR VICKERS

Die Gute Industrieform Hannover 1971 Award for the Roneo-Neopost 505A is the second design award made to a Vickers product this year.

Earlier Vickers Instruments M41 Microscope was given an Award by the British Council of Industrial Design.

this is a case where design and function marry perfectly.

The 505A machine takes envelopes of many shapes and sizes, licks them, seals them, and stamps them at up to 100 per minute. And parcels are no problem. Just press the button and a special gummed franked label emerges ready to apply. And if you have a snappy catch phrase, sales message or a dearly loved symbol then the 505A will print any of these on the envelope at the same time. You could say that it seals as it prints as it stamps.

The idea of franking, of printing stamps instead of tearing them out of a sheet and licking them, is by no means new. It started, of all places, in New Zealand in 1964 but the first Neopost machine appeared in this country in 1975. It's a fact that over 30% of the total

postage revenue in the UK today comes from franking machines (expressed only in business mail the percentage would be much higher). And there's no need to feel sorry for the stamp collector. A special philatelic society, the Metic Stamps Study Group, exists and its members collect, exchange and discuss franking marks and machines from all over the world, from Australia to Zambia.

The 505A is one of the latest Roneo-Neopost machines to bring even higher standards of service and efficiency to industry, both in Great Britain and world markets. It is part of the wider range of Roneo-Vickers office equipment that helps to make the modern office a better place to work in.

Vickers Limited  
Vickers House Millbank London SW1

**VICKERS**

## PARLIAMENT



## COMMON MARKET DEBATE

**Apology  
by  
Wilson  
to Rippin**

WILSON withdrew in the Commons comments which he made at the end of the Common Market debate on Wednesday relating to the view of Lord Rippon of Eskan, chairman of Commonwealth Sugar Exporters' Group, of terms offered by Britain entering the EEC. Britain's chief negotiator Mr. Jeffrey Rippon thanked Mr. Wilson for his "handsome" apology.

**Changes**

Mr. Rippon had quoted a letter to him from Lord Campbell June 3 in which Lord Rippon said he had been in error in his view and that the Government personally would accept the settlement as satisfactory and constructive for developing countries.

Mr. Wilson said that he had received a phone call from Lord Campbell's office on Wednesday evening saying that if Mr. Rippon quoted the letter, he was entitled to do so, "because no one knows the real facts."

Rippon retorted: "I utterly, fully and completely repudiate it you have said. I got his press permission."

The Commons yesterday Mr. Wilson asked leave of the House to make a brief intervention in debate.

He said: "In the heat of the exchanges in the concluding passage of the speech of Mr. Jeffrey Rippon last night I interrupted him with words which, in a brief explanation which I owe to the House, I did like to withdraw."

The words I used were based on my understanding, incorrect I now understand, of a message received in my office from Mr. Campbell of Eskan.

He had felt it right to inform that he had given permission to Mr. Rippon to quote a passage in a letter he had written.

Lord Campbell, in his capacity as chairman of the Commonwealth Sugar Exporters, has available information to Government and Opposition on non-party basis which helps whole House.

He felt that I ought to know what he had authorised Mr. Rippon to quote. The message, as reached me, gave me a strong impression which was later summarised in my report. While those concerned with writing the message to me did in good faith, I take full responsibility for all that I said and I ask leave to withdraw the words I used to Mr. Rippon last night."

**udsome**

Mr. Rippon said: "May I stress my appreciation for what you have said. You did make a serious mistake last night which I entirely repudiate. I am grateful for what I take as a handsome apology this afternoon."

**Hanratty case:  
closest  
onsideration**

REGINALD MAULDING, the Secretary, told the Committee at Question time, that he gave the "closest consideration" to points in a full and detailed letter about the Hanratty case sent to him by Mr. F. Foot.

James Hanratty was executed for being found guilty of the murder.

Mr. Maudling added: "I cannot make any further comment on this, as I understand it, has been issued in the High Court in respect of certain publications."

Mr. Frederick Willey (Lab., London, North) asked: while appreciating the very conscientious consideration you give to this matter and regarding your present particular difficulties will you give us consideration to this part of the case—that there is rightly or wrongly considerable uneasiness and probably the way to allow it is to have a public inquiry."

Mr. Maudling agreed there is a great deal of public rest.

**No more on EEC advertising**

THE LORDS Lord Jellicoe, leader of the House, said that no other expenditure on advertising Britain's case for entry into the Common Market was planned by the Government.

The cost of publication and distribution of the White Paper had already been more than covered by revenue from sales. Publishing and distributing the short version of the White Paper had cost £191,000 to date and the first sheets had cost £255,850, further £114,550 had been voted for future reprints and advertising of these publications.

Lord Lauderdale thought the expenditure rather excessive, but Mr. Jellicoe replied that far

**Jenkins puts case for unity in Europe—and the Labour Party**

BY PHILIP RAWSTORNE

Mr. Roy Jenkins argued as forcefully as ever in the Commons yesterday for the unity of Europe—but without widening the divisions in the Labour Party. It was a day on which issues almost began to dominate personalities.

Mr. Wilson graciously withdrew from a mistaken attack on Mr. Geoffrey Rippon; Sir Alec Douglas-Hamilton graciously noted the Leader of the Opposition's case against entry; and Mr. Jenkins called for respect for everyone's sincerity.

Labour's deputy leader relished yesterday on the topic of his argument rather than the strength of his personal con-

victions. "My views, I believe, are moderately well known," he said. "My convictions are as strong as ever and my views about the desirability of entry are not abated by the terms. The terms are not ideal but to me they appear acceptable."

The only personal note he struck after that was to recall his loneliness as he waited during Labour's years of Government for the EEC members of the Group of Ten to decide Britain's financial fate. So much for sovereignty, said Mr. Jenkins. But the economic case for entry was now more stronger than the political, he added.

MR. JENKINS said: "This is intended to be a major debate about the merits of this great and historic issue and the reasonableness, or otherwise, of the terms which the Government has obtained. Government MPs would be wise to treat it as such and not occasion it as an exercise in scoring party points."

Parliament would more impress the public Europe and the world "if we talk more about the issue and less about each other."

There was laughter when he said: "My views, I believe, are moderately well known. My views about the desirability of entry are not abated by the terms."

**Growth**

"The essence of the economic case for going in, is the belief that it will increase our rate of growth and, therefore, the amount of resources available to us as a nation and this will substantially outbalance the additional payments the other way."

There should be no danger to the economy provided the Government handles the management of the economy sensibly during the transitional period.

"The dynamic argument is, in my view, not nearly as crude as is sometimes argued by those who reject it." If they looked at the experiences of the EEC countries since the setting up of the Community, they would find there had been an increase in inter-community trade following the dismantling of tariff barriers.

"Trade between the Six may well have grown in the early years by 50 per cent, more than it would have been otherwise." It was quite clear that there had been a sharp increase in levels of investment in the Six as a result of growth.

"There was a fall in each of the Six countries in the ratio of their export costs and prices relative to their home prices." This was a factor of "very great and marked significance."

"The fall in each case was substantial and significant, and there had been a marked im-



JENKINS... my views are moderately well-known.

provement in competitive export positions."

The British entry could "open up the possibility of curing structural faults which have bedevilled our economy for so long." In the past we had imposed too many exports too little and loved too little, he said.

Unless Britain's experience was totally dissimilar from that of every one of the Six, she should expect a general and steady improvement in the competitive position of the export industries. This applied not only to their performance considered alongside that of the Six but also compared with the rest of the world.

"There are therefore substantial favourable factors affecting the balance of payments set off against the unfavourable ones we hear so much about.

"It also means the prospect of exported growth, and curing the structural faults in the economy."

"I do not share the very widespread view that we must necessarily go through a very difficult period in order to reap later benefits."

"I think the immediate effect upon the vital and very weak sector of industrial investment can be very beneficial and the balance of payments costs in the first couple of years, before we

wish to find new trading partners and it is a good thing that they should diversify their trade.

Some of the newer Commonwealth countries were already finding it in their interest to give the EEC preference over Britain.

"We will do everything we can to safeguard the Commonwealth interests. I think we are entitled to ask the Commonwealth countries to understand that they could not and should not ask us to neglect our own."

"The main case for Britain's membership of the Community is this, and it can scarcely be expressed in the rather arid terms of a White Paper—that a Britain which is weak and in decline is useless for the Commonwealth."

Britain had steadily lost her percentage of Commonwealth trade and had come down the ladder as far as world trade was concerned.

As a member of the EEC Britain could do many things for the Commonwealth whereas now we could only do a decreasing amount.

"Now we are going to have a whole series of Constitutional laws above us which we cannot change, and as we make laws here we will have to bear in mind that they are subject to review by a court of Brussels."

Mr. John Boyd-Carpenter (C., Kingston upon Thames) said the

West Indian sugar producer for the West Indian sugar producer and the New Zealand producer of milk products into a market which is likely to prove the richest market in the world.

"Our heart and our purpose is large enough to embrace the Commonwealth interests and membership of the Community and they are complementary to each other."

"I would not be here advocating this cause with any enthusiasm if I thought the Market was going to be exclusive."

**Trading**

"You do not set up an institution for fun. You set up an institution because there is something of common advantage to you all. I do not find this a surrender of sovereignty or a frightening prospect. I find it an almost intolerable handicap to this country that economically we should have to run our foreign policy as we do because we are working on an economic shoestring."

He did not believe we should talk in terms of surrender—if

anything we should talk of sovereignty shared for common purposes.

The Commonwealth never had or never could be an economic bloc. It never had been or never could be a military alliance. The interests of the modern Commonwealth were too diverse.

The Commonwealth countries wished to find new trading partners and it is a good thing that they should diversify their trade.

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"We will do everything we can to safeguard the Commonwealth interests. I think we are entitled to ask the Commonwealth countries to understand that they could not and should not ask us to neglect our own."

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**Essential**

Mr. Alec spoke of the new and completely different problem which faced Europe—the new class of super-powers. Within the framework of NATO Europe would have to assume greater responsibilities for her own security, and it was essential Britain should be in those councils within the NATO framework and not out.

"That is why to the word

Membership of the EEC could bring a marked improvement to Britain's competitive export position, the prospect of export-led growth, and the curing of structural faults in our economy. "I do not share the very widespread view that we must necessarily go through a very difficult period in order to reap later benefits."

Provided the Government's own policies were right—and he demanded some assurances about that—Mr. Jenkins had no fears either about the effect on regional development. Britain should have the ability to exercise an influence

in the world more in keeping with its history than its size, said Mr. Jenkins. It would find that—and more besides—that both sides of the Commons.

Sir Alec, in a sort of reverse argument, agreed: "I do find it almost an intolerable handicap to this country that we should have to run our foreign policy as we are working on an economic shoe-string," he said. Sir Alec looked forward to the prospect of entry without any fears: "Nothing ventured, nothing gained," he said.

world were not wholly effective in this field unless there were used a genuine background of a buoyant expanding economy.

Criticising the amount of explanation given in the White Paper on the future of sterling, he said: "I welcome without reservation the rundown and eventual the final end of sterling's special status as a reserve currency.

The attempt to support the second reserve currency of the world on the narrow base of the UK economy had been like trying to stand a pyramid on its point.

"It has been a source of considerable international monetary imbalance as well as a considerable restriction upon our own freedom of economic development."

He called for more explanation from the Chancellor of the Exchequer as to what the Government's intentions were for the replacement of sterling.

The position of the sterling holders must be safeguarded. But equally, there must be no question of our undertaking a fixed repayment programme.

This would be an undesirable construction upon ourselves and would be undesirable for the rest of the world, because it would mean a further burden upon the dollar which the dollar was manifestly unable to carry.

"I want to see the maintenance of Atlantic ties, but upon the basis of a far more equal partnership between America and her European allies than has been possible in the past 20 years.

"I want to see Germany far more firmly anchored into the democratic community.

"I want to see the relaxation of tension between East and West and a balanced reduction of arms in the centre of Europe."

**Impeded**

He wanted to see Europe, which was "rich and relatively fortunate," be responsive to the needs of the poorer world.

He also wanted Britain to have the ability to exercise an influence in the world which was "more in keeping with our history and our size."

"Everyone of these aims will, in my view, be assisted by the enlargement of the Community. Every one of them is in danger of being impeded if we remain outside."

"I am rather inclined to the

Immigration Bill would have the effect of making an Australia, unless he had a parent born in Britain, subject to labour permits and registration with the police.

"I think a great deal of opinion would be very unhappy if, for example, Germans, whom after all we fought not very long ago, could come here, and that discrimination should be exercised against Australians."

**Immigrants**

The way out of this was to take powers for a reciprocal movement of migrants between Britain and the "old" Commonwealth countries, in time to coincide with the free movement of people from Europe.

Mr. Patrick Gordon Walker (Lab., Leyton) said: "I myself feel that the present terms are acceptable."

The attitude and experience of two member nations was of special significance he said.

If any country was peripheral to Europe, it was Italy. If any country seemed exposed to the danger of becoming the Northern Ireland of Europe, it was Italy.

Since membership Italy had experienced an economic miracle with a growth rate faster than ours.

Since membership Belgium's rate of growth had risen to 4.7 per cent, and she had full employment. "I have not so low an opinion of my own country to think that we cannot bear ourselves at least as well as Italy and Belgium."

**Airport will have daily shows of sponsored films**

BY JOHN CHITSTOCK, INDUSTRIAL FILM CORRESPONDENT

A CINEMA for daily showings of sponsored films is to start operations at London Airport Heathrow, on August 1. Behind the scheme is Europe's largest 16mm film library, Sound Services. The cinema will be situated at Terminal One, where all BEA flights are handled. Indoor seating for 50 people will be provided, as well as extensive standing room.

Sponsors will thus be able to reach a new audience group, sometimes comprising people who otherwise may not see sponsored films. Screening rates begin at £3 for one show a day for three months (93 days) for a five-minute film. Maximum daily exposure for any one film is four shows.

The cinema will operate for ten hours a day, seven days a week.

The presentation time of a film will change each day within the programme so that its exposure pattern will vary throughout the run.

The idea of airport cinemas is not exactly new, though it has not happened before in Britain. Skyplex Cinema, as they are known in the U.S.A., have been a familiar part of the American film distribution scene for some years.

Sound Services claim that 500,000 people pass through Terminal One every year, and, given some of the inevitable delays that travellers experience, there is good reason to hope that many of these will spend some time in the cinema.

The cinema will operate for ten

**Libya: MPs call for strong action**

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

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## Other Overseas News

### President Thieu threatens withdrawal

SAIGON, July 22.

SOUTH VIETNAM'S President Nguyen Van Thieu today said he would only rule for President if he had the necessary conditions to continue his tough stand against the Communists.

The President's remarks, quoted by the official Vietnam Press News Agency, appeared to be a threat to withdraw from the October election if there were any weakening of American backing.

"Only when there are the conditions to realise my point of view, will I run," Mr. Thieu told a group of South Vietnamese soldiers yesterday evening before their departure for a visit to Taiwan.

The agency report did not quote the President as saying who would provide the conditions or what they were.

But in a speech on Tuesday, in which he said he was not optimistic about the chances for an early peace linked with President Nixon, he said he was going to ask the U.S. for continued military and economic aid.

He said he would also ask Washington to gear its troop withdrawals to the capabilities of the South Vietnamese army.

Mr. Thieu appears concerned that Washington's backing for his strict anti-Communist line will wane if reconciliation with Peking is under way.

The policy line which the President wants to pursue is referred to as his "four 'no' policy": no coalition with the Communists, no neutrality for South Vietnam, no territorial concessions to the Communists and no Communist activities allowed in public.

Mr. Thieu's statement is likely to add to the confusion surrounding the presidential elections.

The President's main possible opponent, former head of state Duong Van (Big) Minh—who has yet to declare he will run—threatened last week he would withdraw at the last moment if he thought the voting was not going to be fair.

Reuter

### Zambia traffic still depends on Rhodesia

By Our Own Correspondent

SALISBURY, July 22.

DESPITE its policy of traffic diversion away from Rhodesian railways, Zambia still remains heavily reliant on the Rhodesian system according to figures published here to-day. They show that more than 300,000 tons of Zambian copper were exported through Rhodesia during 1970. In all but two months the copper trade exceeded 25,000 tons.

The report of the Rhodesian Secretary for Transport says that the movement of large quantities of wheat, maize and fertilizer to Zambia from Beira placed a strain on the railway system which was not made easier by continued congestion on Zambezi railroads and their "frequent requests" to cancel trains moving north over the Victoria Falls Bridge.

The report also says that no meetings were held by the committees of Rhodesian and Zambian officials established to decide the final division of the assets and liabilities of the former unitary railway system and Central African Airways Corporation.

### Egypt agrees to pay Britons £2m. for nationalised assets

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

THE MAJOR outstanding financial issue between Britain and Egypt has been solved with the signing in Cairo yesterday of an agreement under which British concerns whose assets were nationalised in the 1960-64 period will be compensated.

Egypt is to pay £2m. in quarterly payments over a three-year period, starting in March next year. The compensation will be in hard currency.

It is believed that the amount of the compensation amounts to only about 50 per cent of the valuation made by the concerns involved.

Yet, with payments being made in convertible currency, the deal is a good one—much better than those previously negotiated by France and Switzerland.

These two countries received compensation over a period of years in Egyptian pounds, non-traditional export items (cotton was excluded) and in tourism facilities. Neither agreement appears to have worked well.

Death duties

For the British concerns, the share-out of the compensation money will be handled by the Foreign Compensation Commission. Claims are expected from about 1,400 British nationals.

A shareholders' committee has been in existence for some years.

Of the total £2m., about £200,000 will be retained to settle outstanding liabilities for bank loans, income-tax and death duties.

In Cairo yesterday Mr. W. F. Morris, head of the claims department of the Foreign and Commonwealth Office, said that he had every reason to believe that shareholders would be satisfied. Earlier he had signed the agreement with Mr. Sherif Loutfi,

Under-Secretary of State at the Egyptian Ministry of Economy and Foreign Affairs.

Settlement of the nationalisation issue after three bargaining sessions over the last year leaves only the question of blocked funds in Egyptian banks to be solved. These assets were frozen by the sequestration measures of 1956 and 1961.

Here the problem is not so much one of Egypt's good will as the country's exchange control regulations. The amount involved is about £1m.

**Sagr says why he opted out**

By Our Own Correspondent

DUBAI, July 22.

THERE SHOULD be eventual unity of the Trucial States on a basis of equality, the Sultan of Ras al Khaimah has said bora in a broadcast explaining why he had not signed Sunday's federal agreement.

However, it is believed that the state's wily ruler, Shaikh Sagr, may have opted out for the time being in the expectation that an imminent oil discovery might give him parity in the union with Abu Dhabi and Dubai.

Union Oil of California, his concessionaire, is drilling a promising formation and is reported to have reached a depth of 13,000 feet. It expects results in about a fortnight.

An oil discovery may allow Sheikh Sagr to negotiate for his state eight votes in the planned federal council, the same as Abu Dhabi and Dubai, compared with the six which he was offered. The other four states are to get four each.

### U.K. sells more to Six than to Commonwealth

By OUR FOREIGN STAFF

BRITAIN'S EXPORTS to the European Community overtook exports to the Commonwealth for the first time in 1970, according to the latest annual report on Commonwealth Trade, just published by the Commonwealth Secretariat.

British exports to the Commonwealth rose by about 15 per cent to £1,554m., whereas exports to the Commonwealth rose only 8 per cent to £1,638m.

British imports from the Commonwealth grew faster than imports from the Commonwealth, but the Commonwealth remained the largest collective source of imports with £2,094m., compared with £1,822m. from the Community.

Total exports from all Commonwealth countries to all destinations reached £23,120m. in 1970, an increase of £2,800m. on 1969. This represented a rate of growth only a little less than the growth in world exports, or 8 per cent in real terms after allowance is made for price increases.

If the figures for British trade are excluded, the Commonwealth increased its collective trade surplus with the European Community slightly last year, £61m. to £76m.

Its exports to the Six rose from £1,315m. to £1,499m., while its imports from the Six rose from £1,283m. to £1,423m.

The U.S. remained the Commonwealth's leading trading partner, both for exports and imports, but its share in Commonwealth trade fell from 30 to 29 per cent as a result of the U.S. economic slow-down.

The European Community accounted for 14 per cent of Commonwealth exports and imports.

### AUSTRALIA ABOLISHES RPM

CANBERRA, July 22.

Legislation making resale price maintenance illegal was signed into law to-day. It is effective from August 9.

### Indian air space violation

NEW DELHI, July 22.

but described the tone of the Note as very strong.

A Defence Ministry spokesman had earlier also been reluctant to go into detail and would not confirm a Press report that Indian armed forces had been placed on a special alert on the western borders following the alleged overflight.

There was no official explanation for the unusual reticence.

Observers believed the Indian Government might want to avoid drawing particular attention to the matter at a time when its relations with Pakistan were strained over the East Pakistan crisis.

Reuter

JAPAN will not object to the admission of China to the United Nations, a Foreign Ministry spokesman said to-day. But at the same time, he said, Japan would maintain its position of supporting the continued seating of Taiwan in the world body.

Japan was not advocating a two Chine policy, and was not in a position to decide on the rival claims made by the Communist and Nationalist Chinese governments to represent the whole of China, the spokesman said.

The Government caucus is now

## THE GUERRILLA WAR IN OMAN

# No victory in sight for the Sultan

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT WHO RECENTLY VISITED OMAN

FLYING into Salalah at this time of year one is suddenly confronted, about 20 miles from the coast, by an abrupt wall of cloud. The Caribou military aircraft which has laboured for nearly four hours on its way from Muscat at a speed of little more than 100 knots, starts its descent into the cotton wool. It is something of an oddity that this stretch of Arabian coast, stretching 100 miles or so, is touched by the tail of the monsoon from June to September.

From the point of view of the British-backed Sultan of Oman's Armed Forces waging war in the province of Dofar against the guerrillas of the Popular Front of the Liberation of the Occupied Arab Gulf, the geography is perverse.

operations into the Jebel become more hazardous.

Communist China could scarcely have chosen a better location—or a more strategic one, with all the Gulf's oil resources lying to the north—for its first attempt to aid and abet a "revolutionary" war outside South-East Asia. Not until 1965 did the old Sultan deploy an S.A.F. company to Dofar. However, with the backing of the militant regime in Aden and a secure base in what now has become the People's Democratic Republic of South Yemen, the rebels have been able to intensify the struggle steadily.

Direct Chinese backing came in September 1968, the year in which the Dofar Liberation Front, to win wider backing, changed its name to the Popular Front for the Liberation of the Occupied Arab Gulf—pledged to bring Marxist revolution to the whole Gulf.

Following the deposition of Sultan Said, a year ago to-day, there was a lull as the Government held out its amnesty to the tribesmen of the Jebel—a plateau which up until last month had been the home of 250 bandits or irregulars, to fight on S.A.F.'s side. Not the least gain from the policy of reconciliation has been the improvement in S.A.F. intelligence. This has gained immeasurably since the old Sultan was overthrown, says Brigadier John Graham, S.A.F.'s commander, as he outlines the disposition of the main rebel groups—Ho Chi Minh, Clevare, Lenin etc.—and their main supply lines.

Last year's "close season" also enabled S.A.F. to deploy in Dofar a second battalion, the Northern Frontier Regiment (N.F.R.), to reinforce the Muscat Regiment.

With S.A.F.'s artillery battery and the irregulars, the rebels amount to almost a brigade strength. Complementing the soldiers, there is the squadron of BAC 167 Strikemaster jets, the most effective

On the ground there has been something to show for the greater

commitment of men and arms since last autumn. To the east the coastal strip has been "liberated" up to the town of Sudh, 60 kilometres away, which was captured in February. It is stressed that most of this area can only be considered effectively under Government control when troops are there. But the recently created Dofar Cendamie, recruited largely from the old Sultan's bodyguard, is now undertaking routine patrols and tributaries from the north have been brought down to guard the border with the fence which encircles Salalah.

The coastal plain to the west including the coastal town of Rayakut, captured in 1969 from the old Sultan's badly armed Askars (guards) remains firmly in PFLOAG's bands.

South of the Jebel there have been limitations on what the Muscat Regiment can do. Of the three companies, only one at any given time is free for an offensive role as the other two secure the plain. However, the N.F.R. operating to the north has been able to harass the guerrilla forces from the rear and retain some of the pressure in the plain.

But behind the breezy, professional optimism in Muscat and Salalah it is hard not to detect a certain gloom about the war's progress.

### Outgunned

At headquarters the current estimate of the hard-core rebels is 700, a body that was recently reinforced by some 30 leaders trained in China, North Korea and the Soviet Union according to S.A.F. intelligence.

On the spot, however, no one is sure of the numbers. Altogether, the rebels amount to almost a brigade strength.

Complementing the soldiers, there is the

inability to wage a successful war against guerrillas.

In the past year the rebels have been armed with 75mm. recoilless rifles with a four-mile range and heavy machine guns in addition

minds" of the people of Qara hills. Brigadier Graham acknowledges the military victory to be only "40 per cent of the battle." The two can be unmet. It must partly as a result of S.A.F.'s inability to make any dramatic gains that there has not been more progress on the political front. The Government has been able to get under a plan development program which, hopefully, can end the neglect and isolation suffered under the old Sultan's end. Yet, Salalah remains surrounded by barbed wire even within it there is a serious problem—a recent search of the town produced 13 suspects in

town.

### Second front

S.A.F.'s commanders admit the Government is inferior.

"Paysans and are clearly tr

ied about the hold that

Front has on the m

of the hill people. It must be

the legend of the old Sultan

whose rugged, impoverished

too much to overcome.

Government's strangle is

pleated by the fact that

people of the Qara hills are

a different, pre-Arabic stock with little in common

Omanis.

In this situation, S.A.F.

Qabous can comfort himself

the thought that the threat

second front which app

ed with the attack on a S.A.F.

at 1.30 in the Oman hear

a year ago has not opened

appeared. But S.A.F. has

known from its intelligence

sources that the group re

gional Democratic Front for

Liberation of the Occupied

Gulf, is liaising closely with

Dofar group. If Britain we

leave behind instability in

Trucial States after its di

then the way for subversive

the north of Oman could

open.

Furthermore, there is the

struggle for the "hearts and

souls" of guerrillas to the west where

says Brigadier Graham, the war will be won.

Dense vegetation providing

ideal cover for the camel trains

bearing supplies has made it

difficult for the Air Force to do

what it might disrupt con

voy, especially as the policy is

to avoid attacking the civil

population. As one official

said: "

Vehicle and General Tribunal of Inquiry

# Explanation of company's "magic" sought

**EXPLANATION** of the "magic" of the Vehicle and General Insurance Company and difference from other organisations in the insurance field was sought at yesterday's V & G general hearing by one of the members, Mr. Michael Kerr, QC.

Mr. Norman Nail, a principal in the Department of Trade and Industry, continuing his evidence, was referring to the V & G figures when Mr. Kerr asked:

"On these figures it seems to me V & G were doing something quite remarkably different to 30 other very experienced established companies."

"I appreciate it was all UK business, or nearly so, but what the magic it was thought had?"

"He added, what was it the companies were doing which one thought they might circumstances not wish to go doing."

**PRIVATE CARS**

Mr. Nail said that V & G was using only private motor car excess at the relevant stage—not commercial vehicles. It was in the U.K.

V & G was selecting a particular brand of private motor-car excess. It was covered by a generous reinsurance arrangement which lifted from practically the whole of the liabilities—it was only really damage claims—and that, though, was the main difference which made the V & G excess so much different from other companies.

regarding the other companies, since they were large in practically all cases they did have much higher retention on their reinsurance.

Mr. Nail said many of these companies would provide reinsurance business on a private whereas V & G at this stage no re-insurance business.

Mr. Kerr asked why these companies were taking unprofitable risks while V & G was doing business so successfully.

Mr. Peter Webster, QC, for the Department of Trade, pointed out in the 1963 account the V & G profitability was 11 per cent while U.K. members of the British Insurance Association's motor underwriting in that year were showing a loss of 2.8 per cent. He asked for Mr. Nail these companies were willing to make a loss, and why thought BIA members were forced to go on underwriting profitable business.

**TRY NARROW BAND**

Mr. Nail replied that they were the business of insurance and sought they hoped by changes risk-taking and their rates could get out into profitabilities.

V & G was taking a very own hand and because of the

taking your insurers' word for what is the likely apportionment of blame to be reflected ultimately in a recovery by litigation on negotiation.

"I wonder whether it struck you this kind of estimate could be a very different kind of estimate to one of outstanding claim?"

Mr. Nail told him that he thought this was a more realistic estimate than an outstanding claims estimate. But in a sense it had been part of V & G's selection policy because the drivers were so good they could make a reasonable estimate of what would be recovered when involved in a claim. This was different from estimating what a claim would be.

Dealing with other documents, Mr. Webster referred to a departmental minute which stated that an examination of the V & G accounts showed a solvency margin percentage for the year ended December, 1965, as 61 per cent.

Evidence was also given by Mr. Horace Herbert Knight, of King's Lynn, London, who became a civil servant in 1944 and went into the insurance companies' department of the Board of Trade in 1966 on his promotion to senior executive officer.

Mr. John Arnold, QC, one of the counsel for the tribunal, referred to a record of an interview between Mr. SLA and Mr. Anthony Hunt, former chief executive of V & G, from which it emerged that a gross figure in the accounts did not relate to reinsurance nor recoveries it expected to make from other insurance companies because they did not operate knock-for-knock agreements. They in fact put this figure as 80 per cent of what they actually expect to recover.

Mr. Arnold said this was a conservative estimate of what they thought they would get back in their negotiations.

Mr. Kerr then said he wondered whether the department had any information at that time as to how these estimates of recoveries were arrived at by the company.

Mr. Nail told him that he had arrived at the time they were estimated at the same way as an estimate of remaining claims which would be recovered on the sections of the Companies Act.

He agreed that they fulfilled the same functions as previous structures and were a screening process but they were meant to supplement existing instructions.

Mr. Knight said that in 1967 there were six to eight failures and there was a terrible overload of work and examinations of accounts went into arrears of about four or five months.

The tribunal adjourned until

Mr. Kerr added that it was now revealed that they only took a figure of 80 per cent.

Mr. Kerr asked him: "If you are operating knock for knock you are merely putting a figure on what you think the liability will be for physical damage to the insurers' car and anyone injured for whom you are legally liable under the policy."

The tribunal adjourned until

"In the other case you are to-day."

Mr. Nail replied that they were the business of insurance and sought they hoped by changes risk-taking and their rates could get out into profitabilities.

V & G was taking a very own hand and because of the

Mr. Nail said he thought the reason the tariff was abandoned and many companies who were doing private motor business started to introduce policies similar to the proven motorist-type was proof of this point.

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Mr. Chris Hall, national secretary of the Ramblers Association, immediately pointed out that the commission contained no representative of the amenity or environmental interests.

He added: "What follows is the strong case which came from amenity associations when Sir John Eden, Minister for Industry, recently launched a £50m. scheme to encourage mineral exploration in Britain."

It is inevitable lead to mining in the National Parks is the oldest and richest mining area to be developed. No zinc already has permission to mine in the Lake District and Snowdonia.

We have a news that a commission had established received a very reception last night from the amenity associations. They did not want to see the mineral exploration in the National Parks to give evidence.

Tin Zinc announced that had taken the lead in the because it felt it was up to mining companies to show a good faith by taking a sensible initiative to review the problems involved.

**OBJECTIVES**

The chairman of the Commission will be Lord Zuckerman, a scientific adviser to the government until his retirement next March. The members will be Sir Arthur Lovell, Chairman of the Scottish Landowners Federation; Professor G. C. Corlett, Professor of Geography at the University of Wales; Mr. Nicholson, chairman of Land Consultants; Professor Sir Eric Warner, senior partner in Warner and Warner, and post-ident of the Institute of Mining Engineers.

Our terms of reference are to consider the current government measures to stimulate the use of national mineral resources and the general concern for conservation and how these objectives can be harmonised.

Terms also include examining the relevant problems of exploration, mining, continuous utilisation and reconstruction.

It is interesting that even younger Bordeax leaders are entering the courtroom. Yesterday Cheval Blanc 61, for £51 and Haut Brion for £47.

The top price of the wine was given for the favorite of foreign buyers, Chateau Lafite 1971, whose regular appearances at these sales have tended to stabilise the price. But yesterday the decision on whether or not to go ahead would probably be reached by next Easter.

The planners are discussing exclusions with local authorities, including a 60-acre area at Buckingham. They have also appointed a shadow vice-chairman for next Easter.

He is Dr. Brian Inwards (47), formerly professor of mathematics at Southampton and now principal of London University's Westfield College.

Magnums of La Mission Haut

Brion made a new record of £54.

Lower down Bordeax's somewhat rigid social order, Chateau Las 61 reached £54 while its St. Julien neighbour, Ducru-Beaucaillou made £48 and those two adjacent second-growth estates, Pichon Longane and Léoville Las Cases, each went for £55. Pape Clement, an esteemed red Graves, brought £40. It is clear now that one cannot expect to buy at auction a Chateau-hotted 61 of repute for less than £3 a bottle.

In the wake of these prices a small section of Louis Latour has been sold for £100,000. The sale reached a new high at £100 for six magnums.

The sale reached an above-average total of £25,255.

## High prices for clarets

8 EDMUND PENNING-ROWE

IN THEIR last fine wine auction of the season, Christie's yesterday realised high prices for a sale dominated by leading post-war clarets. In addition to good figures for fashionable vintages such as '45, '58 and '61 which continue to appreciate, yesterday's full house—apparently in an end-of-term or buying spree mood—paid surprisingly high prices for less popular and in general less attractive though not bad vintages, provided that the name on the label was right—in other words, a leading growth.

For example, among the higher-rated rather neglected '62s, Latour at £160 a case was nearly £100 above its previous level, Mouton Rothschild made £95 and Ch. Margaux £70. New records were established also for the '55s, a sound rather than an outstanding year. Lafite made £96, Mouton Rothschild £90 and Haut Brion £84. Palmer went for £48. The far less popular '57s made good prices at £46 each for Marteaux and Mouton Rothschild. Then among the somewhat overshadowed '62s Latour brought £54 and Cheval Blanc £52.

It is interesting that even younger Bordeax leaders are entering the courtroom. Yesterday

AFTER two and a half years of planning, the idea of an independent university free from State financing is still not sure of becoming a reality.

Sir Sydney Caine, chairman of the planning board, said in London recently that the best site in the project would be a feasibility study. The final decision on whether or not to go ahead would probably be reached by next Easter.

The planners are discussing exclusions with local authorities, including a 60-acre area at Buckingham. They have also appointed a shadow vice-chairman for next Easter.

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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOTTERS

## METALWORKING

### Economical rolling of bronze

A PENDULUM rolling mill has been installed and commissioned by John Wilkinson and Sons (Salterley), part of Imperial Metal Industries, at its Birmingham works.

Continuously cast phosphor-bronze strip 6 inches wide by 4 inches thick is being rolled to 0.050 inch in one pass. Conventional rolling would have involved six passes through the two-high mill, one annealing process, one cleaning operation and process trimming of the edges of the strip. All of these are eliminated by the use of the pendulum mill, according to IMI, at a considerable saving on conventional processing.

Equipment is being provided to enable very large coils of similar cross-section to be rolled thus eliminating a further process of welding strips together to form the large coils necessary for finish rolling on high-speed mills.

The pendulum mill, developed by IMI, achieves a reduction in the thickness of the metal by the movement backwards and forwards of the opposed pendulum arms carrying two small diameter work rolls. These work rolls are not driven—their motion is forced by the strip, which is forced into the gap between the work rolls by feed rolls.

In February it was announced that IMI had signed a non-exclusive licensing agreement for the manufacture, sale and servicing of its Saal pendulum mills by the Josef Frolhing Walzwerksmaschinenbau of Olpe, West Germany.

### Portable welder

A SMALL air cooled AC arc welding transformer known as

the Nu-arc 130 is now being offered by Numatic Engineering of Sherborne Road, Yeovil, Somerset.

Having a capacity of 130 amp it is suitable for welding duties in garages, light engineering establishments and machine shops, agricultural machinery repairs, use on building sites and for servicing and repair work. In addition the company says it is also ideal for preliminary tack welding on heavy duty applications prior to final welding.

The transformer operates from 240V AC and has switched outputs of 50, 70, 90, 110 and 130 amps thus enabling it to be used with a wide range of electrodes from 16 s.w.g. to 10 s.w.g. (1.6mm to 3.2mm). Numatic claims exceptionally stable arc characteristics, with trouble-free electrode regulation, and by the incorporation of a positive plug-in socket for each current rating as opposed to a dial found on many competitive units.

Each unit is supplied with electrode holder and earth clamp pre-fitted to 10 feet of heavy duty welding leads.

### Galvanising in a gas

A LICENCE has been granted to Johnson and Nephew (Steel) by Australian Wire Industries for the production of galvanised wire by a new process. An agreement signed by Mr Peter Johnson, managing director, during a recent visit to Australia.

The process is known as "gas wipe galvanising" and uses a gas atmosphere to control the thickness and quality of the zinc coating on the steel wire core. Australian Wire Industries has been using the gas wiping pro-

cess commercially for approximately five years and recently it has been extended to plants throughout Australia.

Existing galvanising lines will be converted to gas wiping shortly, and it is Johnson and Nephew's longer term intention to replace these lines, which were the first commercial galvanising lines in the world, with two new high-speed lines.

Johnson and Nephew produce approximately 20 per cent of the galvanised wire used in the United Kingdom in the manufacture of spring wire, barbed wire, chain link fencing, stock fencing, cable armouring and many other products. The new process will produce wire of a higher quality than previously obtainable with hot dip processes.

In addition to Vanderveeten the division includes Robert Boby's malting equipment business and Crayford's metal finishing business, the latter being under one umbrella facilities, which between them can provide much of the equipment needed by the drinks industry.

High-speed bending of tube

UP TO ten angles, planes and distances between bends can be set up for semi-automatic production on a tube bender manufactured by the Addison Tool Company of Eastwood Street, London, S.W.16.

Control can be in the manual mode for setting-up purposes, but production is semi-automatic. It is possible for the machine to produce up to 500 bends per hour. Design is such that bends can be made right up to the end of the tube, thus eliminating wastage of material.

Two instruments have been announced by the company, one with storage and one without, but otherwise sharing the same specification. Both instruments use solid state electronics, have a bandwidth of 25MHz, and have dual traces. In addition, deflection factors between 1mV and 10mV, in 13 steps, can be selected. Sweep rate can be altered from 200 nanoseconds to 5 sec per division in 23 steps. A magnifier reduces the sweep time to 20 nanoseconds if required.

Lighted knob skirts automatically indicate the selected value, claimed to reduce the occurrence of wrong settings, especially when using the optional 10X probe.

Overall dimensions of the unit are 5.75 inches high by 21 inches deep by 13 inches wide. Height, in the rack-mounted version, is only 5.25 inches. Overall weight of the free-standing version, complete with panel cover and accessories, is 20.75 lbs.

The probe may be operated with the stylus in any position throughout a full 180°, and a single multi-turn screw adjusts stylus force from 0.20 gram for both top and bottom operation and to control length of stylus travel.

Rate in cycles per minute and also time interval in seconds between operations repeated cyclically are read on a moving coil meter, but an electrical output is also provided for recording purposes or to drive remote meters.

Scope with store

AN ELECTRONIC system for making vertical measurements

effort is required at a period-end to complete the documents ready for despatch to MCC, provided the documents are completed on a daily basis and as an entry is required. The only time then required is a few minutes of a comptometer operator to total and cross cast the documents that contain values to establish control totals.

The user has the choice of preparing his own data into a suitable media for computer input, or delegating the responsibility to the bureaux who are well equipped to cope with data preparation. All data, if prepared by the bureaux, is punched and verified before being processed by one of the four computers in the organisation.

To provide the greatest convenience to users ATBS has designed around the basic concepts of flexibility and ease of implementation. In spite of the fact that common problems face most firms of chartered accountants, experience at Midland Computing Centre, Cambridge, has shown that individual companies require to retain their identity in the processing of their data. The ATBS gives the user flexibility in determining his exact requirements, without the usual expensive penalty for such individuality.

This was achieved by using Programming Mode 3 (PDM3) which was developed by Bedford Computer Services as part of a joint venture contract with the Ministry of Technology, under the advanced computer technology project.

Advantage to the user lies in the limited number of source documents used for the ATBS. Only five basic source documents, most if not all of which will already be in use in any manual or machine accounting system, are required.

A minimal amount of clerical

base, Cellophane burns rapidly, and is a useful addition to normal waste in incinerators since it provides fuel. In addition, in the uncoated state it is vulnerable to microbiological attack, and in wet conditions if the appropriate organisms are present it will degrade in less than a month.

Coatings are applied to the film to prevent deterioration from moisture during storage, but when the wrapper is discarded the coating will part from the film within a month when conditions are wet, and the film then deteriorates normally. It has been calculated that the material is totally composted at between two months and a year, depending on conditions and on whether or not it is coated.

**No-smoke tyre burner**

AN INCINERATOR which can dispose of scrap tyres and other rubber waste products without causing smoke is to be installed at the Wolverhampton factory of Goodyear Tyre and Rubber Company (Great Britain), by Redman Heenan and Froude, of Shrub Hill Road, Worcester, WR4 9EQ.

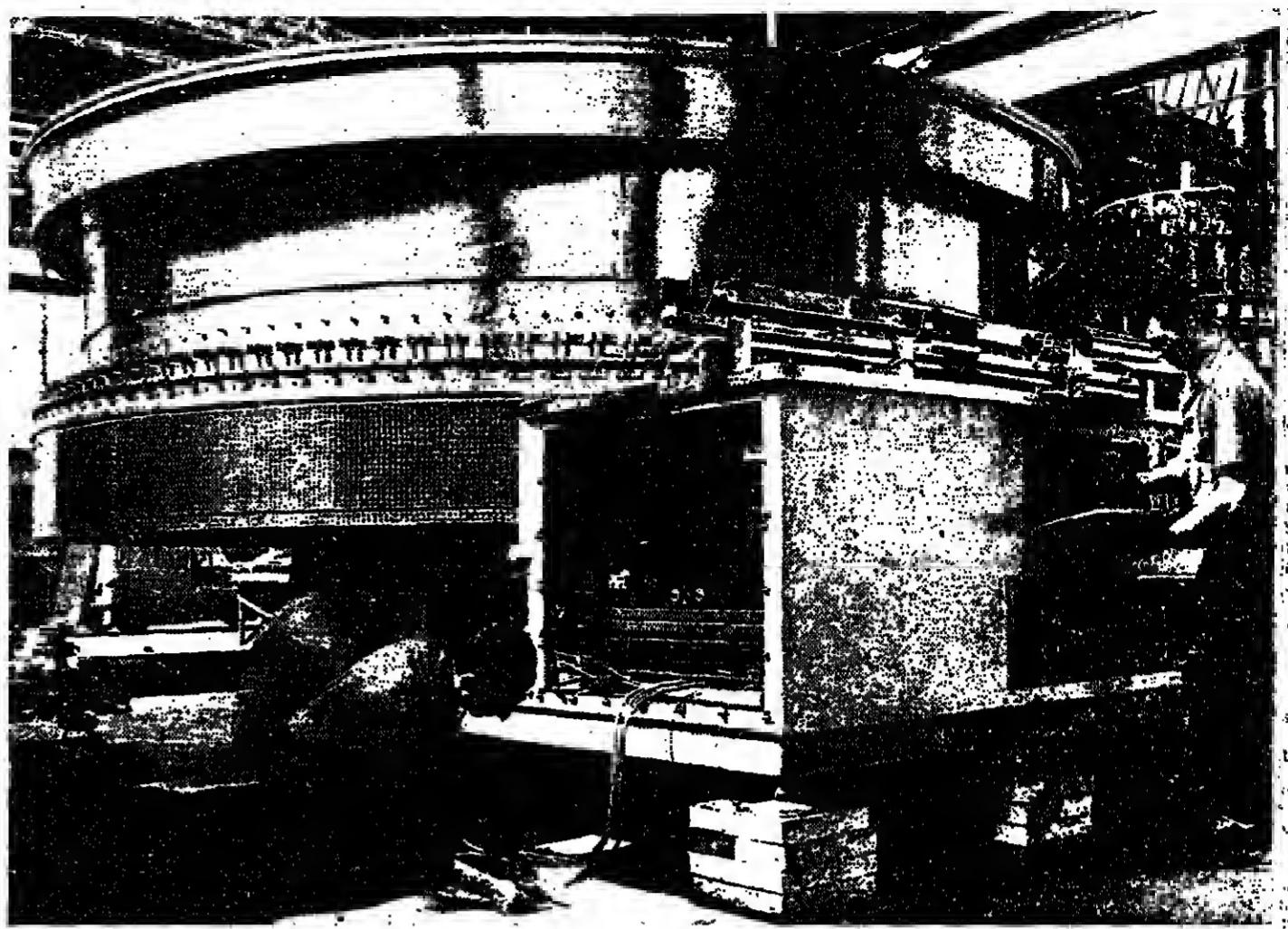
The heat generated is fed to a boiler unit to produce steam in excess of 8,000 lb an hour at a supply pressure of 300 psi.

The tyre head, previously an obstacle in the disposal of tyres by burning, will also be reduced to become part of the ash in the form of small globules of metal.

Goodyear's incinerator will accept all tyres up to and including the larger truck sizes and, so long as a supply of combustible waste is placed on the conveyor entering the furnace, tha

GETTING ready for the 1971 Interbier exhibition at Munich in September, engineers of Vickers Vanderveeten, Brussels, Belgium, are putting the finishing touches to the largest bottle filler in Europe—124 head. This machine has already been sold to a Belgian brewery and will be in full operational display at the Munich exhibition. In the background, taking shape, is an 86-head filler, completely dwarfed by the new machine. Interbier will provide the first opportunity for the recently consolidated malting and bottling division of Vickers to show its capabilities to overseas customers. Vickers acquired over 85 per cent of Usines A. Vanderveeten of Belgium (a private company manufacturing bottle machinery) in February 1971, by agreement with the Vanderveeten shareholders.

In addition to Vanderveeten the division includes Robert Boby's malting equipment business and Crayford's metal finishing business, the latter being under one umbrella facilities, which between them can provide much of the equipment needed by the drinks industry.



on engineering components has been put on the market by Thomas Mercer of Aylesbury, Buckinghamshire.

The system uses a ball-ended lever coupled to a transducer coil unit to form a probe system which is connected by a cable with one of the Mercer 155 range of electronic gauge units.

Oscilloscopes are the most frequently used instruments in any but the simplest of electronic equipment, and Tektronix, of Harpenden, Herts, has announced an instrument that combines all the facilities of a normal 'scope with storage facilities at a price that can be afforded by service organisations.

Two instruments have been announced by the company, one with storage and one without, but otherwise sharing the same specification. Both instruments use solid state electronics, have a bandwidth of 25MHz, and have dual traces. In addition, deflection factors between 1mV and 10mV, in 13 steps, can be selected. Sweep rate can be altered from 200 nanoseconds to 5 sec per division in 23 steps. A magnifier reduces the sweep time to 20 nanoseconds if required.

Lighted knob skirts automatically indicate the selected value, claimed to reduce the occurrence of wrong settings, especially when using the optional 10X probe.

Overall dimensions of the unit are 5.75 inches high by 21 inches deep by 13 inches wide. Height, in the rack-mounted version, is only 5.25 inches. Overall weight of the free-standing version, complete with panel cover and accessories, is 20.75 lbs.

The probe may be operated with the stylus in any position throughout a full 180°, and a single multi-turn screw adjusts stylus force from 0.20 gram for both top and bottom operation and to control length of stylus travel.

Rate in cycles per minute and also time interval in seconds between operations repeated cyclically are read on a moving coil meter, but an electrical output is also provided for recording purposes or to drive remote meters.

Gauges slow repetition rates

### Scope with store

THE TYPE 200S ratemeter/timer introduced by Sangamo Controls of North Bersted, Bognor Regis, Sussex, can measure rates of cyclic operation from 400 cycles per minute down to one cycle per minute.

The device will operate from any source that provides either contact closure or a positive-going signal between two and 50 volts DC, such as mechanical switches, photoelectric devices and proximity switches.

Rate in cycles per minute and also time interval in seconds between operations repeated cyclically are read on a moving coil meter for both top and bottom operation and to control length of stylus travel.

The meter measures 8 x 6 inches, weighs 4 lbs and operates from 240 volts, 50 Hz.

### Precise way to handle small bits

ONLY one control is needed to complete manipulation of parts with the micromanipulator recently announced by Research Instruments of Kermick Road, Penryn, Cornwall.

These manipulators are particularly suitable for test rigs, they allow test probes to be easily positioned. A feature of the equipment is that the movement of the operational part always in the same sense as controlling lever, and thus dead reversal of movement is made much easier for operator.

### Electronic height gauge

AN ELECTRONIC system for making vertical measurements

conventional component techniques from about 30 minutes to about two seconds.

At £580, the company says that the "Swift" puts automatic testing within the reach of many small companies making PC boards on sub-contract. It can be set up for a given type of board in minutes and for long production runs a matrix plug is pre-wired for each specific board type.

For low volume production "Swift" works on the basis of comparison of the test board with a known, sound, board, both being plugged in on the front panel. The outputs of corresponding pins on the two boards are continuously monitored; if any difference is detected the sequence is stopped and a corresponding indicator lamp (or lamps) on the panel lights up.

The unit weighs 18 lb and measures 18.5 x 12.5 x 6 inches.

### Accurate film resistors

A SERIES of precision thin-film resistance networks in micro-circuit packages for use in the construction of digital-to-analogue and analogue-to-digital converters has been introduced by Analytical Devices of Kingston Surrey. Used in conjunction with suitable switching circuits, the resistors known as the AD850 series, allow converter resolutions of up to 12 bits without requiring trimming. This means, says the company, that resistor errors are so small that no individual resistor adjustments are required for accuracies up to 0.0125 per cent.

Capable of being used by an unskilled operator, the unit says Honeywell, cuts the testing time for a typical assembly using

conventional component techniques from about 30 minutes to about two seconds.

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Accurate film resistors

To the builder of high performance D/A and A/D converters, this new range of resistance networks makes available a simple plug-in adjustment-free alternative to the technicians and test engineers required to trim individual networks resistor by resistor.

Package configurations include TO-87, TO-116, and an encapsulated 24-lead package. The units are available for the industrial 0°C to 70°C temperature range, and the military -55°C to +125°C range, and include both voltage-switching R-2R ladders and binary-weighted current-switching networks.

GEFFREY CHARLISH

High speed reed switch

A RANGE of sensitive reed relays, encapsulated in a tough, stable, moisture-resistant epoxy resin is now available from Pye TMC of Roper Road, Canterbury, Kent. The range is particularly designed for high-speed switching and alarm type contacts where high sensitivity and reliable contact performance, combined with minimum cost,

are essential requirements.

An inbuilt magnetic shield prevents interaction between closely stacked relays. The connections are for printed circuit 0.100 matrix and are polarised to prevent wrong assembly.

The relay is available with latching, normally-closed or normally-open contact arrangements.

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## AVIATION CONCERN OVER LIBYA INCIDENT

# Spur for a world treaty

By MICHAEL DONNE, Aerospace Correspondent

**THE VIRTUAL** forcing down of the BOAC VC-10 airliner in Libya yesterday is considered by many in aviation circles to be a clear-cut case of unlawful interference against civil aviation.

This treaty has been drawn up in recent months following the rate of hijackings in the Middle East last September and her sabotage attacks on aircraft and interference with air traffic.

The treaty is due to be concluded at a diplomatic conference in Montreal on September 15, at which it was originally agreed that States would agree to make all forms of unlawful interference with aviation a very serious offence against individuals, with possible sanctions against States indulging in such activities.

It is not clear at this stage whether the treaty as drafted is lenient to cover incidents such as yesterday's.

This will probably come for discussion at the forthcoming conference, and if it is agreed that the treaty is not wide enough, its scope may be extended to take account of these situations.

But it did become clear yesterday that BOAC has again become a victim of Arab politics. Last night the airline expressed its concern that any aircraft lawfully passing over another country's airspace could be arbitrarily obliged to land and be some of its passengers moved.

**FIRST DUTY**

In BOAC's view, this constitutes a violation of all accepted standards of behaviour in international civil aviation. But the airline also made it clear that the matter is now for the Government to handle on the political plane.

The airline will inevitably tighten its own security and will affirm its instructions to pilots that their first duty is to safeguard the lives and welfare of all passengers and crew. If this means obeying commands either from hijackers or from the ground, that manifestly appears to be unlawful. The reins will obey.

This is what happened to the Libyan incident. BOAC said that when the VC-10 commander, Capt Bowyer, was told to land in Benghazi, he was still officially under the control of the Malta flight Information Reception, though he was actually flying over the Libyan coast, and was therefore technically in Libyan space and subject to Libyan traffic control.

He was at first instructed by Benghazi controllers to land

there, but was suspicious of the reasons for the command and asked Malta control for a clearance to return to Rome. This was felt to be a prudent measure.

The clearance was given and he turned his aircraft round. It was when he was on his way back and was passing over the Libyan coast that the Bengazi authorities again ordered him to land and made it clear—although the precise nature of the implied threat is not clear—that the safety of his passengers was at stake.

The VC-10 captain took the view that the Bengazi controller's order clearly constituted an implied threat with which he had no alternative but to comply.

Throughout the approach to Benghazi airport and the landing, Capt Bowyer and his crew in civilian clothing who then argued in Arabic with the Sudanese leaders.

Capt Bowyer did not understand the conversation but it was made clear that the two Sudanese were being required to leave the aircraft. After discussing this with the Sudanese, it was agreed that it would be in the best interests of the rest of the passengers if the Sudanese moved.

After the aircraft had arrived at the airport terminal building, it was boarded by Arab officials in civilian clothing who then argued in Arabic with the Sudanese leaders.

BOAC also said yesterday it would continue to fly over Libyan airspace, as and when its

left without incident, which they did.

The VC-10 then refuelled and left Benghazi, having been on the ground for about 90 minutes. The aircraft returned to London via Rome. This was due to uncertainty at the time of leaving Benghazi whether Khartoum, to which it was originally destined, was open.

## Concern

After arriving in London the VC-10 left for Nairobi with a full load of passengers and arrived there without further incident.

BOAC's view is that throughout the incident the VC-10 commander obeyed the airline's own instructions and did all he could to ensure the safety of his other passengers, his crew and his aircraft.

But there is little doubt that this incident will have sent further waves of concern through the entire world air transport industry and although it will be up to the British Government formally to express its concern to the Libyans, it will be the support of all other Governments who are anxious to ensure the continued safety of their own aircraft flying through the Middle East and North African regions.

BOAC also said yesterday it would continue to fly over Libyan airspace, as and when its

flight schedules required, unless there was some specific reason for it not to do so.

The structure of the civil air traffic control pattern in that part of the world makes it extremely difficult for airliners to avoid the very large Libyan airspace en route to and from various East and South African destinations. Any re-routing to avoid Libyan airspace would be time-consuming and expensive.

Many of BOAC's routes pass over Arab territories and despite the unstable political situation in that area, it has no alternative but to continue to fly over them if it wishes to maintain its network and its schedules intact.

Meanwhile, Mr. Peter Cane, master of the Guild of Air Pilots and their navigators, last night sent a telegram to Sir Alec Douglas-Home, the Foreign Secretary, and Mr. Michael Noble, Minister for Trade. It read: "If the Press reports are correct the Guild of Air Pilot and their navigators strongly deplores the VC-10 incident. Since there were no apparent reasons of safety or security, commercial concern in this incident it can only be regarded as an act of air piracy perpetrated by a friendly government."

"The Guild demands that suitable action be taken by the British Government to ensure the safety of British aircraft, passengers and crew at all times by preventing any future occurrence of this nature."

## 450 more BSC workers may lose jobs under reorganisation

BY DAVID WALKER

UP TO a further 450 British Steel Corporation workers could lose their jobs under reorganisation plans announced yesterday by the Corporation.

The division's pipe mills at Hartlepool, where 260 employees were sacked earlier this year, another 200 are to be dismissed during late August and September.

Of those, 120 are at the 44-inch mill, where the bulk of the earlier dismissals occurred. That 260 plant has been in operation for little over two years and has never reached more than 70 per cent capacity.

The others losing their jobs at Hartlepool are at the 20-inch mill, which employs a total of just over 300 and where 50 people lost their jobs in January.

The latest moves were "due to a downturn in which no reasonable improvement can be seen for at least six to nine months," BSC said.

The majority of those affected were short-service divisional workers.

The other tubes division changes are in the Stanton and Walker Works group, where 170 clerical workers were dismissed last May.

Iron production at the Old Works site at Stanton, near Not-

tingham, is ending because of a fall in demand for merchant pipe iron. As a result, the No. 1 furnace there, together with its ancillary services is ceasing operation in October, leaving two furnaces going.

The closure affects 344 employees, only a minority of whom, however, might eventually be dismissed. "We hope we may be able to redeploy the majority of those affected elsewhere in Stanton Works by controlling recruitment between now and October," BSC stated.

Since the beginning of the year, the Corporation, which is expected to reveal next Wednesday a £12m deficit for the 12 months to March 31, has announced some 5,770 redundancies, bringing the total since nationalisation to 14,388. A further 12,800 at least are expected to be declared redundant by March next year.

Full shift operation gave way to extended day shift working in November, when 260 employees at Hartlepool, where 260 employees were sacked earlier this year, another 200 are to be dismissed during late August and September.

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tingham, is ending because of a fall in demand for merchant pipe iron. As a result, the No. 1 furnace there, together with its ancillary services is ceasing operation in October, leaving two furnaces going.

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The outcome was that the cream of the English hatters surrendered somewhat ignominiously and it was left to the late middle order and then to the tail to stage a partial recovery. All credit, however, must be given to the Indian bowlers for exploiting the conditions so well. On the occasional ball turned real sharply but their line and length was sufficiently accurate to allow the captain, Wadekar, to set some ultra-attacking fields, while the bounce was often irregular.

The outstanding performer was undoubtedly Bedi, who gave a classical exhibition of slow-left-arm howling, heating hatsmen both in the air and off the pitch. Chandrasekar was less economical, but always liable to produce a really vicious delivery, while Venkataraman picked up two wickets with his off-breaks.

England's start was slow and

## SPORT: GOLF... CRICKET

BY BEN WRIGHT

THERE WAS a singularly unfamiliar look about the last 10 golfers in the 41st English Championship when the quarter-final stage was reached here at the Burnham and Berrow Golf Club as the rain swept in from the south-west this evening. Only 19-year-old Warren Humphreys of the four seeds remained, and he prevailed by the skin of his teeth at the last hole against 29-year-old John Fisher, the Midland Amateur champion. So Humphreys, who meets former Walker Cup player Peter Banks tomorrow morning, is the only current English international to survive.

## Stern test

At the top of the draw the 34-year-old Hampshire captain David Harrison cruised serenely on. He beat Hampshire team mate Lioel Smith by three and two this afternoon. But he will face a stern test tomorrow in Peter Moody, semi-finalist in the British Amateur at Carnoustie. Moody beat the Kent Open and Amateur champion Peter Hedges, a current England cap, by four and three this afternoon with another impressively solid

up further birdies and wins at the 10th and 12th holes, and little more need be said except to commiserate with poor Marks who once again watched helplessly as a championship-winning opportunity was brutally snatched from his grasp.

Putt will now meet Trevor Homer, 27-year-old director of his father's engineering firm in the Midlands, who was far too young and strong for the tiring Michael Lum this afternoon.

I first met Homer when he

finished leading amateur in the Italian Open Championship in Allassio in the early spring. Later

he beat the American Walker

Cup player Jim Galbraith in the fourth round of the British

championship. But he has hitherto accomplished little else.

Homer was always in command against Lust, however. The latter, for ever the victim of his wayward driving, choked down to his one iron to try to steer the ball round in the freshening southerly breeze—before it slackened and veered into the south west to bring in the rain. But he was out-gunned. Homer was out in 34, five up, and then coasted to victory by five and four.

Benga, now a week-end golfer but still a first class player beat Stephen Rooley, 16-year-old son of a Yorkshire professional, who was a semi-finalist last year by four and three. This was a particularly creditable display because Rooley is one of those fortunate amateurs who plays golf every day of his lucky young life.

Hedges squared the match

at the top of the draw to the left of the 10th fairway to go two down.

Moody took three putts on the 11th green to cover one hole back at him, but he got down in two chip and putt from in front of the 12th green, and Hedges did not. The Kent man lost his second ball to the right of the

## Youthful talent unearthed

BY BEN WRIGHT

13th green went through the 14th to lose that too, and Moody needed only to halve the 15th hole to prevail.

Humphreys was exceedingly fortunate. In that his opponent, who has a fine, rhythmic swing, is not so sure of himself on the putting greens. This afternoon Putt missed three crucial putts of less than a yard.

He twiched the first one from no more than a foot to only halve the 6th hole, and was promptly asked to hole another of similar length at the 7th—and missed to go one down.

He went two down when Humphreys boled from 20 feet on the 11th green for a birdie, but then staged a fine comeback.

Humphreys hooked his drive off the 12th fairway. Fisher hit a superb iron shot, and the best shot I have seen all week with his three wood to the heart of the green into the teeth of the wind. Humphreys pitched through the green, and after one chip conceded the hole. He lost the 13th with a wayward tee shot to the right against Fisher's solid four, but then the Midlander made his crucial mistake on the 14th green. He took three putts from only 12 feet after Humphreys had shot through the green down the wind, and only halved the hole in four.

BURNHAM-ON-SEA, July 22

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## Anti-climax

The 15th hole was balved in scrambling fives, and then Fisher wedged stone dead to lake the 16th. Humphreys hit back in the best possible fashion with a glorious two iron shot a yard from the 17th hole for a two to square the match—and then anti-climax. Fisher duck-booked his drive into the rubbish at the last hole, and took five shots to reach the green. Humphreys seized his opportunity with both hands, striking a great three iron shot 12 feet behind the hole to put the issue beyond question.

LORD'S, July 22

refusing to allow the bowlers to dominate, while Illingworth, with his right foot securely anchored behind the crease, provided sensible, subdued support.

At tea, thanks to this stand, England had staged a partial recovery and were 168 for 6. In the final session the later batsmen thwarted a quick breakthrough by the Indian spinners, who were beginning to tire. Hutton scored a useful 20 and Snow, not for the first time, battted with skill and vigour. In fact he middled the ball with more certainty than most of the recognised batsmen.

This prolonged resistance forced Wadekar, who had captured his side splendidly, to take, somewhat reluctantly, the new ball after 112 overs. This was clearly welcomed by Snow and the obdurate Clifton, even though the former was dropped when 46. After only three overs spin was reintroduced at oca and Snow completed the 50 he deserved, and at the close England had reached 232 for 8 after an absorbing day's cricket.

## England's later batsmen to the rescue

BY TREVOR BAILEY

IT IS difficult to think of a pitch much better suited to India than the one prepared, or under-prepared, at Lord's, because it took rather more spin on the opening day of a Test match.

As expected England made

Jameson 12th man and India omitted Prasanna, who has been

off-spin. It was a delight and a change to see three slow bowlers in action before lunch on the opening day of a Test match.

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# VICTORIA LINE EXTENSION

This Financial Times Survey coincides with to-day's opening of the extension of the line from Victoria to Brixton.

## South London's vital link

By ANDY McELROY

Cities and their transport systems invariably develop out of step with each other. It is in the nature of things that additional travel facilities follow changes in population or employment patterns, often many years later.

London's underground system is no exception. It is undoubtedly the finest in the world, yet until now it has lacked a proper service to the south of London. Admittedly, the Northern line's southern leg has fulfilled this function, after a fashion, but many large areas were completely out of touch with the rapid underground network.

Now, much of that has been changed. The Victoria line, which has done so much in the short time that it has been operating to relieve congestion and to speed travel across the heart of London, has now stretched down to serve the southern suburbs. Almost unbelievably, plans for a link of this kind were considered along with other proposals for London's transport system, as long ago as 1943. It was realised that the existing system, would soon become overburdened in the, hopefully, hoovering years after the war. But such were national priorities and the pressures of rebuilding a peacetime economy, that like so many other things the proposals remained just that.

But eventually, in 1966, the then Minister of Transport, Mrs. Barbara Castle, gave approval for the work on the Victoria to Brixton link to be started. An expenditure of £16m. for a line measuring only 3.5 miles seemed a lot of money at the time, but it was confidently forecast at the time that the line would be used by 18m. passengers each year, so that on that basis alone it would be of enormous benefit.

Another observation that was made by traffic experts was that the extension will take passengers mainly from the overburdened Northern and Bakerloo lines and from the London Transport buses. Thus, it was assumed that there would be no immediate financial gain to London Transport.

### Social benefits

However, this project is noteworthy for one thing in particular among many others: it has been the subject of a study to assess the social benefits accruing to the community. Although not the first study of its kind to be made, this one showed convincingly the advantages of investing in such a link. What will the benefits be? To answer this question it is necessary to look at the Victoria line as a whole. It is unusual among the other branches of the network in that, with one exception, Pimlico, all the stations on it are interchange points with either other Underground lines or with the British Rail network. Three major rail termini, Victoria itself, Euston and King's Cross lie on the line,



Engineers checking the track at Brixton station recently while the painting is completed.

and already travellers are reaping the benefit of rapid transfer from the northern stations to Victoria.

For people who live in the south of London, the extension means that they are now only minutes away from any of these stations, or from London's West End.

Another benefit that the extension will bring, and one that has, curiously, been scarcely mentioned, is the effect it will have on existing

Thames crossings. During rush hours London's bridges, in common with those of other major cities, present a picture of almost complete immobility. Taking even a small proportion of passengers off the bus routes will contribute significantly to a better traffic flow during peak times.

In its execution, the Brixton extension of the Victoria Line follows the pattern already set by the Walthamstow to Victoria stretch. Everyone who uses the

line already knows all about the very fast and comfortable trains, and of the many safety features built into their operation. All the additional 72 cars ordered for the extra mileage incorporate the same advanced features, while the stations have again been planned with the same speedy flow of passengers and automatic fare collection systems already in use.

But in addition there are several details that are worth remarking. Stockwell station,

for example, is on the Northern Line, which carries commuters from the further-flung southern areas of Surrey. When the extension was planned to run through Stockwell it was decided that the interchange between the two lines should be on the same level, a factor that contributes greatly to shorter journey times for passengers from, say, Morden, who are aiming for Oxford Circus.

This interchange is, of course, only one of the many on the line. It is believed that, once the line is fully operational, passengers will be tempted to change to the Underground system at an intermediate stop such as Vauxhall, for example, rather than Waterloo. This in itself will be a relief since, like most commuter stations, Waterloo teeters on the verge of total chaos during the morning peak period. Interestingly, this has already been the result of the opening of the northern end of the line. Commuters coming from Hertfordshire are now inclined to pick up the Victoria line at Finsbury Park rather than taking the main line train directly into King's Cross. Quite apart from the added convenience of changing at this point, at most times of the day such a move also cuts down travelling time to any southern point on the Victoria line, and the same effect is likely on interchanges on the southern end.

Car commuters will also have the benefit of the line, since they can now drive to a convenient station, park their cars,

and travel the difficult part of

the journey in comfort and at speed. Already there are plans to provide additional car parking space, particularly at Brixton, where the demand is likely to be greatest, and as demand develops in other areas, local authorities will be faced with the task of accommodating these cars. Although there will necessarily be a fee for parking, on the whole the commuter should benefit, since the rates are hardly likely to be as high as in Central London.

### Pimlico station

Although most of the benefits of the extension will fall to residents on the south side of the river, a significant addition to the line, a station at Pimlico, which will be opened later, should do much for residents of this densely populated area,

at present something of a transport desert.

Approval for this station was given in 1968 by the then Minis-

ter of Transport, Mr. R. Marsh, at an extra cost of £10m. Considering the work involved, this is a very low figure and much of the credit must go to Westminster City Council, which had pressed strongly for the station, and the Estate Commissioners, who provided easements for underground workings. The station will be completely free of charge but some of the benefits that the station will bring to its residents are twofold. Not only will residents be able to reach Central London more rapidly, but it is expected that the station will take a significant amount of the traffic off the roads, making Pimlico a cleaner and pleasanter place to live in.

Overall, the finished extension, including Pimlico Station, is expected to be in the region of £20m. The benefits that it will bring to every aspect of life on London's southern fringes, it is a very small price to pay.

## PACEMAKERS

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Four Drum Diggers for the running tunnels.

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These are Kinnear Moodie's contributions to the successful construction of the Victoria Line and Brixton extension.

**The work was carried out to the requirements of**  
Mr. H. G. Follenfant, C.B.E., T.D., B.Sc.(Eng.), F.I.C.E.,  
M.C.I.T., Chief Civil Engineer, London Transport.

**Consulting Engineers:**  
Sir William Halcrow and Partners. Mott, Hay and Anderson.

**Vauxhall:** The passenger concourse at platform level leading to the escalator shaft. The Wandsworth Road approach at Vauxhall Cross was realigned over the new ticket hall and the escalator shaft was sunk after freezing the water bearing ground.

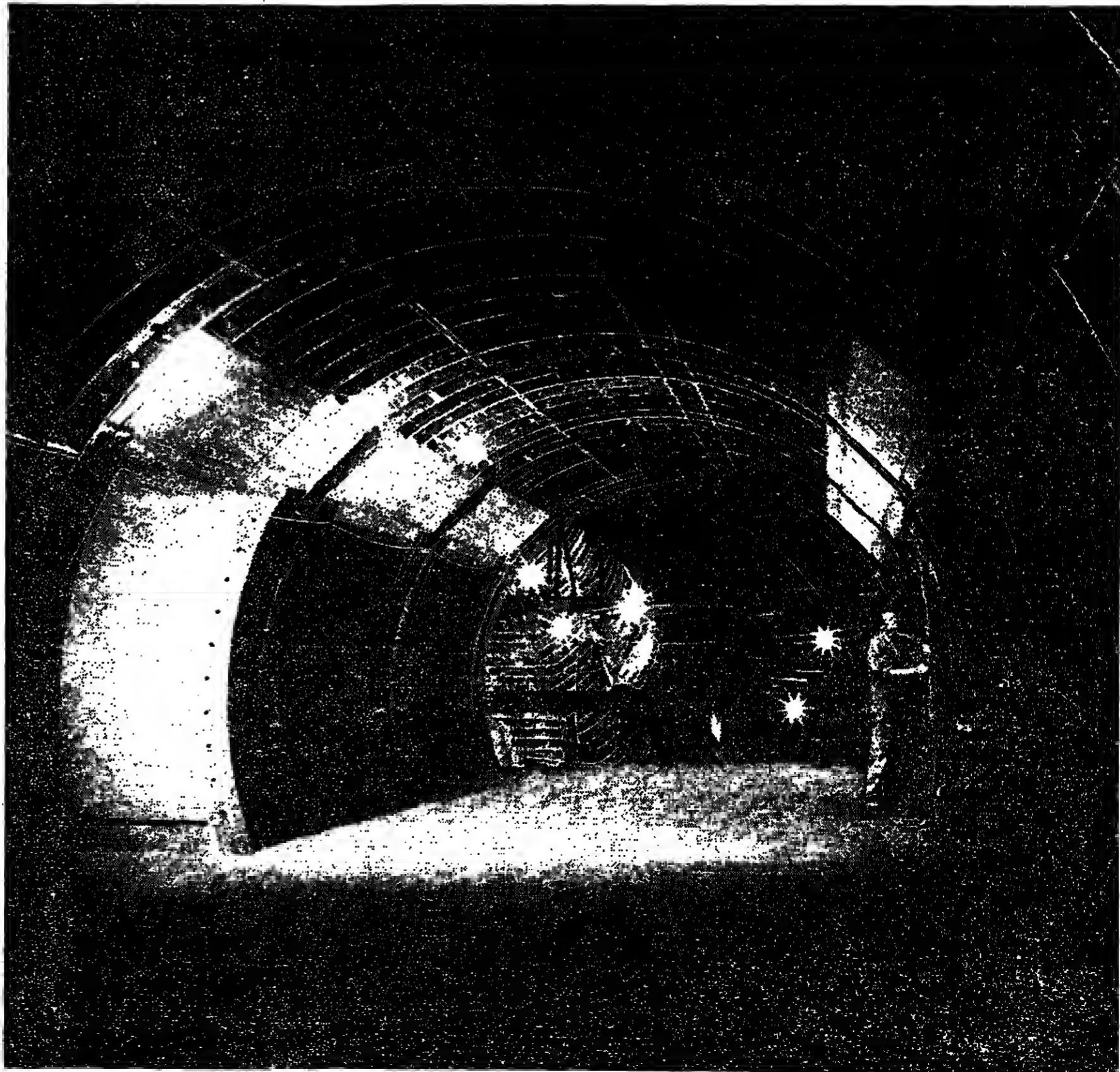
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Photograph by London Transport



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 London NW2 7AY**VICTORIA LINE EXTENSION II****Line will have considerable effect on local community**

By RAY BRIGGS

In terms of speed, the advantages of the Victoria Line extension are impressive. The journey from Brixton to Victoria will take only eight minutes; Brixton to Oxford Circus 12 minutes; and Brixton to King's Cross just 17 minutes.

During peak periods there will be a train every two minutes.

Equally significant are the advantages to travellers from the southern arm of the Northern Line. By using the Northern Line and changing to the Central at Tottenham Court Road, it takes 28 minutes from Tooting Broadway to Oxford Circus.

Now it will be possible to change to the Victoria Line at Stockwell and cut the journey time by at least nine minutes—and travel in considerably more comfort, especially during peak periods.

**Less crowded**

Many sections of the Northern and Bakerloo lines should be considerably less crowded as passengers from the South take advantage of this opportunity to change at Stockwell for the West End and for North London.

The new line also brings considerable relief to the highly congested road crossings of the Thames, a source of major bottlenecks during peak periods.

The new Brixton station is right in the middle of a major shopping and office centre being developed by the London Borough of Lambeth. Obviously some traders in the area look to the sudden easy access to the West End shops with mixed feelings. For it is certain that some people will take the trip West and spend money in the Oxford Street area that they might otherwise have spent locally.

But to most this will only be a short-term problem, if a problem at all. For as long as they can keep their prices competitive, they are sure that the wanderers will return. And, perhaps even more to the point, the much-improved transport facilities to the Brixton area are likely to tempt many shoppers from areas outside the present "net."

Despite the current traffic and parking problems, the Brixton

shopping area is already extremely busy and attractive to many throughout south London who travel there by bus or car.

Road developments planned for the area are also likely to make the Brixton station a key point of entry to the London underground system. The Southern Motorway Box is planned to go through Brixton and at least one radial motorway seems sure to join it at a fairly convenient spot.

This will make Brixton particularly attractive to the commuter who wishes to drive the first part of his journey, park, and link into a fast, modern and comfortable train for the final part of his journey to the City.

And with many wives driving their commuter husbands as far as Brixton, it will almost certainly become the natural place to shop for many families.

Some traders do show concern as to whether the parking facilities in the area will be sufficient to accommodate the number of commuters that may well want to use the station.

The local council is currently building a multi-storey car park to hold around 500 vehicles. This is due to be completed towards the end of the year but there appear to be doubts in some minds whether or not this will be sufficient to meet the needs of the new route.

Major improvements in transport to and from central London normally bring about hefty increases in property prices in the areas affected. To the west of London, for instance, residential property is going up by around 10 per cent a year as the new motorway programme makes commuting faster, even though central congestion puts motorists to some disadvantage and, more often than not, discomfort against the train-borne commuter.

Local estate agents, however, are not expecting quite such radical developments in the southern end of the Victoria Line. In the main this is due to the type of housing to be found around Brixton. Much of it is old and possibly subject to development in the future. In

many cases this makes the raising of a mortgage difficult, if not altogether impossible, even though prices are relatively low.

However, it is anticipated that the Victoria Line extension will bring price increases of around 5 per cent for those that do come on to the market.

For commuters, some of the biggest gains are for those using the Northern Line from Morden and Tooting Broadway and heading towards the West End. At Morden, certainly, there is adequate car-parking facilities for the road-rail commuter who will find his journey time considerably reduced by changing at Stockwell. For those remaining on the Northern Line for Bank it should become a much more comfortable journey as space is created by those people using the new route.

Some traders do show concern as to whether the parking facilities in the area will be sufficient to accommodate the number of commuters that may well want to use the station.

In most cases it would appear that these benefits will be to existing residents in the area rather than newcomers. Property is in extremely short supply and an early 1900 three-bedroom terrace house fetches anything between £5,750 and £6,250. A similar house built after 1920 costs at least £1,000 more—and very few come on to the market. New property is equally scarce.

**Helping the public**

According to the then Minister of Transport, Mrs Barbara Castle, Government approval to extend the Victoria Line to Brixton was given "simply and solely to improve the lot of the travelling public in London."

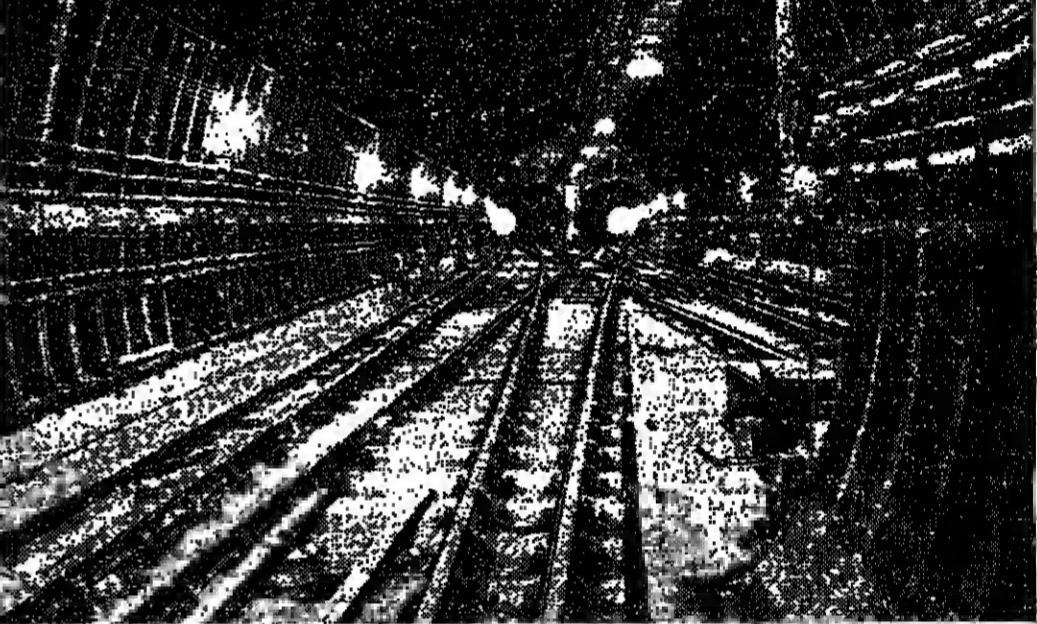
In her statement almost four years ago she pointed out that most of the 18m. passengers who are expected to travel on the extension in its first year of operation already use London Transport—on the Northern or Bakerloo lines, or travel by bus.

But of one thing we can be sure. For those people who have to travel regularly from South London towards the West End, the new Victoria Line extension is going to make an enormous difference to their lives. And that, as Mrs. Castle said, is what bringing the line to Brixton is all about.



A picture taken during the installation of the automatic ticket gates at Stockwell station.

### Brixton Extension of the Victoria Line

Authority: London Transport Executive. Chief Civil Engineer: H.G. Follett, C.B.E., T.D., B.Sc(Eng), F.I.C.E.  
Consulting Engineers: Mott Hay & Anderson

### WADDINGTON constructed

substantial sections of this extension including new stations at Stockwell and at Brixton together with running tunnels, station tunnels and the Brixton crossover tunnel illustrated above

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## VICTORIA LINE EXTENSION III

# New innovations help create fastest underground route

By RAY BRIGGS

From its inception the Victoria Line has been the fastest underground route in London.

Two factors have been largely responsible: the relatively long stretches between stations; and the automatic operation of the trains themselves.

London Transport and Westinghouse Brake and Signal Co. Ltd. designed and manufactured the equipment which has introduced a high degree of automation.

From the moment the train operator closes the doors and presses the start button, the train accelerates, coasts and brakes for the next station in response to coded impulses from the track. Slowing, stopping and re-starting between stations—either because there is a train ahead or a speed restriction in force—is also automatic.

In the event of failure, the train operator who sits in the front of the cab just like the driver of old, can take over and control the train manually.

The automatic driving system is in two parts—safety, corresponding to the signalling system of an "orthodox" line, and driving. In all cases the safety part of the system can over-ride the drive. The basic principle behind the safety system is that the train cannot run unless it is receiving a continuous series of coded impulses from the track, transmitted through the running rails.

Four low frequency codes are used: 120 cycles per minute which is used for the signalling system and is not picked up by the train; 180 which allows the train to run up to 25 m.p.h. as long as power is not being fed to the motors; 270, which allows the train to run up to 25 m.p.h. with power; and 420, which has no speed restriction.

For the three lower values, contactless pendulum type generators are used but a simple transistor type oscillator is used for the 420 code generator, as frequency drift cannot have a harmful effect. The state of the track circuit ahead determines the code to be fed to the track at any given time.

A pair of pick-up coils mounted on the bogie over the left-hand rail picks up safety code signals from the track and is connected to the safety box placed beneath a passenger seat.

The safety box also receives input from a governor on the train which applies emergency braking if the 180 and 270 codes are being exceeded. Motoring and braking commands are determined by the safety box and fed to the autodriver unit.

In principle, the driving system is similar. Spot frequency generators are connected to spot command loops on the

track. For precise stopping at stations, a number of frequencies between 800 kc/s and 5.5 kc/s are used. They are connected in descending frequency order to the 10-foot track loops ahead of the platform where the train is to stop. Signals produced in these track loops are detected by a coil on the train and passed to the autodriver as instructions.

Each 100 cycles represents one mile an hour and the track loop is placed at the spot where the train should be at the corresponding speed when following the ideal braking curve.

## Extra braking

Therefore, when the train passes the 40 kc/s spot, the 40 m.p.h. instruction is detected and compared with the actual speed. If the speed is less than the instruction, the brakes will be released. If it is greater, then extra braking is automatically applied.

Spot frequencies of 15 and 20 kc/s are also used for coasting and for braking under less precise conditions.

The use of interlocking machines ensures that trains can only be given safe routes at junctions and crossings. The old manual signal box, with a signaller pulling levers or pushing buttons, has been replaced by the programme machine.

This contains a roll of plastic film containing timetable and routing information. Each time a train passes the junction, the film is driven forward. Feathers detect holes punched into the film and the machine makes comparisons with the train description and timing circuits which are driven by a master clock system.

If the programme machine and train description are in agreement, route-setting circuitry is energised and the train automatically routed. If not, a warning is flashed to the control room at Coburg Street, which is equipped for surveillance of the whole Victoria Line. After a short interval the train is routed according to the train description unless the supervisor intervenes.

Timing circuits delay the departure of any train that is ahead of schedule.

In another step towards full automation, Victoria Line trains describe themselves to both the programme machines and the destination indicators on the platforms. Known as the Identra system, this entails a tuned coil mounted in the roof of the train cab. The operator selects one of eight different destinations by turning a switch in the centre of the coil to the appropriate section.

The switch connects different value capacitors in series with the coil and the combination will resonate at one of eight different frequencies.

Two-way communication from the control room to the train operator is available at any time as a result of the carrier wave system on the Victoria Line.

It is a frequency modulated duplex system and uses the traction current rails as a transmission line using frequencies in the 130-150 kc/s range. Transmitter power is 30 watts.

The Victoria Line television system, produced by Pye T.V.T. Limited, is also used in the Brixton extension. Philips EL

8000 cameras are sited at both ends of each platform and at other strategic points in stations. The supervisor in charge of the station can select pictures from any of his cameras and show them on either of his two 11-inch monitors. The controller at Coburg Street is also linked to the system so that in the event of any delays, he can see the effects at glance.

Train operators also have the use of monitors, placed at the end of the platform where the train stops. These are linked to the platform cameras and enable every door of the train to be seen from the front cab.

One of the factors that makes the Victoria Line pleasant to use is a ventilation system designed to keep the average temperature down to 70 degrees Fahrenheit—a full three degrees lower than on the other lines.

On the Brixton extension three vertical axial flow fans, specially produced by Edgar Allan Aerex of Sheffield, have been placed between stations. They are designed to give the effect of three complete changes of air per hour.

## Victoria to Brixton... via Wembley!

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The new Victoria Line extension to Brixton that opened today at 15.00 had tunneled under it, and brought Brixton within 9 minutes of Victoria.

That great obstacle, the Thames had disappeared.

The new line will be a great relief to many people in South London, for it provides a quicker, more direct route to

Victoria and the West End, with easy interchange from the Northern Line at Stockwell.

It is part of a much bigger plan to make travel on the whole of the Underground speedier and better.

No one will mind losing the jams.

But if you still want to look at the Thames you can always get out at Vauxhall.



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and recommending action, are a few of the requisites.

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- \* have some accountancy experience and established connections in European financial circles

- \* have a University degree or similar professional training, fluent English and at least one other major European language

- \* are aged between 30 and 40,

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# The Executive's World

EDITED BY  
DAVID PALMER

Bickering between business schools and managers is useless, writes MICHAEL DIXON, Education Correspondent. But some laments from the schools point towards the root of the problem

## Management education is badly managed

**WORKING MANAGERS** think British management teachers are not much good. Management teachers think British working managers are not fully educated, but the others are fully exposed to university politics, which become especially ruthless when money for departmental expansion is at stake.

Very soon the University Grants Committee will take the Government about the financing of universities from next year until 1977. The Government's enthusiasm are more economic than academic. So there is a feeling abroad that the assumed economic benefits of expanding management education in universities might prove the best key to State coffers. More than one head of a conventional university department has noted the possible advantages of gathering in some management education. More than one head of a management school is consequently having to fight to keep all his limbs. You would get more mercy from a cage of Bengal tigers than from a mixed pack of professors with the seen of extra grants in their nostrils.

The bickering is useless. But some laments from the schools point toward the root of the problem. "It is very well planned to sit back and complain," said one professor, referring to practising managers in general, "but they don't understand the organisational problems we have to struggle with." As he implied, British management education as a whole is itself very badly managed.

It is run on a loose Christmas-pudding principle, with different people stirring in different directions at different times. Two of its divisions—the university and the further education sectors—are nationalised. These two are mixed up in all types of management education. The third, private sector division is mixed up in only the post-experience variety. This independent division is market-oriented often to the point of gimmickry. In contrast, the university division is production-oriented often to the point of pedantry. The further education division varies

The possible UGC move is effectively made a bigger prize to manoeuvre for by the Council of Industry for Management Education's appeal fund. Companies have now donated nearly £6m. to this fund, to which the Government will eventually add perhaps £5m. CIME intends the final sum to go largely to the university sector.

Further education—which at present covers colleges and polytechnics alike—gets its money through the local authorities. The complexities involved are unusually both unpleasant and uninteresting. Suffice it to say, therefore, that the further education (FE) division of management education is beset with differing ideological attitudes and bureaucratic procedures, and is short of funds to develop its very wide range of activities.

Hopes were raised by the Government's decision to designate regional management centres within the further education division. But aspiring centres seem convinced that they will not receive extra money with which to establish themselves. So FE management educators are apt to squirm with rage when they think of the CIME appeal fund.

Even so, it is now time for the management of management education to be put on an appropriate footing. While my necessarily unrepresentative chart sketches in the different divisions seem convinced that they will not receive extra money with which to establish themselves. So FE management educators are apt to squirm with rage when they think of the CIME appeal fund.

### COURSES IN A SAMPLE OF MANAGEMENT SCHOOLS

UNIVERSITY SECTOR	LONDON	POSTGRADUATE			DIPLOMA IN MGT. STUDIES	POSTEXPERIENCE		
		SCHOOL'S DIPLOMA	MASTER'S DEGREE	DOCTOR'S DEGREE		GENERAL FOR MID-MANAGERS	GENERAL FOR SR. MANAGERS	OTHERS
MANCHESTER		1-YR IN BUSINESS MGT.	DIP. CSE & 1 YR FOR MSA	MAINLY 3-YR		12-WK ALSO 10-MTH SUMMER PROGRAMME	6-WK.	SHORT CRSES IN FACETS OF MANAGEMENT INDUS.
BRADFORD	3-YR.	6-MTH IN INDUSTRIAL ADMIN.	DIP. CSE & 3-7 MTH FOR MGT.	VARIOUS LENGTHS		12-WK.	17-DAY.	SHORT CRSES IN FACETS, GROUP PROJECTS WITH COMPANIES, CRSES FOR SPECIFIC INDUSTRIES.
WARRICK	3-YR.		1-YR FOR MSA, ONE FOR MGT., ALL 12 MONTHS	VARIOUS LENGTHS		6-WK.	4-WK.	SHORT CRSES IN FACETS, CRSE FOR CONSTRUCTION INDUSTRY.
FURTHER EDUCATION SECTOR	LONDON POLYTECHNIC		FULL AND PART-TIME IN MGT., WORK STUDY, ADMN. OF ARTS	5-YR TERM MA, ALSO APPROX. BY RESEARCH	VARIOUS LENGTHS	FULL & PART-TIME DAY, + SPECIALIST POST-DIP STUDIES		VARIOUS LENGTHS, FULL, PART-TIME, AND DAY COURSES, TECHNIQUE AND FOR SPECIFIC SECTORS.
INDEPENDENT	HENLEY					11-WK.	3-WK.	5-WK. IN INTERNATIONAL MGT. SHORT CRSES IN THE FIELD OF ORGANISATIONS.
	ASHRIDGE					8-WK ALSO 4-WK.	3-WK.	5-WK. DAY AND SHORT CRSES IN FACETS.

The independent colleges are also dispersed with the universities' own monopoly of grant. It enables university schools to subsidise their post-experience courses, whereas independents have to charge an economic price.

However, the independent division has some advantage over its nationalised counterparts. It is determined by academic criteria. These give pride of place to theoretical knowledge, which in turn calls for much full-time teaching.

### Strategic

Academic traditions dictate that students should take the weightier courses when they are in their mid-20s, before they have been too long out of general education to regain the habit of formal learning.

Institutions in this country imply that the bulk of education for excellence in "general management" should be for people in their mid-30s, when they are close to moving into a strategic role.

This is not to say that present business traditions are necessarily appropriate to effective management. For example, Professor A. T. M. Wilson of London Business School has pointed out that traditional company structures require managers to spend

years effectively training to conserve assets. As a reward, the best conservers are suddenly made richers instead.

This, for a start, means changing.

I believe the most promising means is project group education in which teams of capable young managers in the same company tackle real problems and are helped by management schools' knowledge and advice.

Practising managers and management tutors could work together on all sorts of real problems, including risk taking.

The company men would be under the real pressure of having to make a specific recommendation to their bosses. Yet the final decision on a risk would be left to the experienced men at the top.

Unfortunately, although project group education is practised sporadically in FE and at Manchester Business School, its general development is against academic traditions. These require students to be assessed individually for academic awards.

They could hardly be assessed individually on results achieved by working in groups, even though the bulk of the world's work is now done by groups.

I believe, therefore, that conventional academic aims conflict with the purpose of management education. Since the educational system is fundamentally

directed towards conventional academic ends, I believe it best to divorce management education from general education, leaving behind only the undergraduate-type courses.

The rest could be renamed management development and guided by a body on the lines of the University Grants Committee acting as a buffer between management centres—whatever their origins—and a single Government Department. To-day three are involved in various ways—Education and Science, Employment, and Trade and Industry. The best choice would be the Department of Employment.

There is no reason why the Government could not continue to supply the same amount of money through the new structure, at least for a transitional period. There is no reason why the new structure and the general education system should not continue to be linked informally.

There is every reason, however, why the radical reform of the management of management education should be given full consideration right away. Once

the next multi-million pound investment is finally committed to the present set-up, we shall be stuck with a structure growing more academically resplendent, but not more practically useful.

## How to benefit from stagnation

BY G. TUGENDHAT AND A. RENNAWAY

MR BARBER'S mini-budget is designed to produce a sharp increase in capital investment by UK industry. Hopefully, during the months of stagnation and tight profit margins that industry has been living through, it will have learned some important lessons on how to squeeze greater returns out of its existing plant. And hopefully, these lessons will now be applied in the coming boom period.

New investment is usually incurred to increase operating efficiency, increase output, to turn out new products, and nowadays also to comply with anti-pollution regulations. With plants working below capacity, management should have had time to think and to review production and distribution processes.

A calculated approach to improving the return on capital is often neglected in firms without the disciplines of the major process industries. In how many cases does the management have a complete awareness of material balance and efficiency? We know of a case where a close study of raw material utilisation has revealed losses of more than 5 per cent. This could be eliminated without incurring any significant capital investment by closer attention to weighing, mixing and plant control through a study of theoretical material usage, rather than lavish adherence to standard costing.

### Detailed studies

In the case of an engineering works detailed studies of operational runs yielded the by no means astonishing result that if greater attention were to be paid to maintaining key parts of the equipment, disproportionately better results could be achieved.

The rest could be renamed management development and guided by a body on the lines of the University Grants Committee acting as a buffer between management centres—whatever their origins—and a single Government Department. To-day three are involved in various ways—Education and Science, Employment, and Trade and Industry. The best choice would be the Department of Employment.

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anybody knowing the reasons why. Slack times can also be profitably employed to work on alternative uses of the existing plant for new products, or at least on the changes which would be required to make the existing plant do the additional work. It is also possible to tire plant of low efficiency and to concentrate production on the most efficient boom period.

### Marketing methods

The accounting system should be overhauled so that it shows up the profitability of other parts of every existing operation right down to the end product.

In the U.S., the American juniper and middle management is more entrepreneurial than its English equivalents. Most people have missed their opportunity to learn their responsibility for the firm's success of their own department.

On the marketing side, it should study the suitability of existing marketing methods, matching knowledge, acceptability of the products, and what kind of alteration would be required to improve it, and finally a relationship between research, manufacturing and the marketing sides. All too often communications between these three main factors are inadequate, so much so that little attention is paid to one of the three, with adverse effect upon the marketing of the products.

Distribution is also a vital part of the business, and looking at after-goods is also headed over in a forward-looking agent without adequate study to the most appropriate and profitable means of packaging and getting it to the customer. We are in the Common Market, which will become a major factor in the competitiveness of English companies. Some firms outside the EEC will not buy in the U.K. unless the producer maintains a local warehouse, guarantees to maintain minimum stocks—the volume of it usually laid down by the buyer.

Particular care should be exercised that all new investment yields the maximum return. A acquisition of the most modern tools should take the highest priority, as no plant will, to a large extent, depend on the efficiency of the plant.

Mr. Tugendhat and A. Rennaway are partners in Corporation Development Consultants.

## Management ideas from abroad

These summaries of articles from the overseas management Press are condensed from Anbar Management Services Abstracts. Readers wishing to consult original texts should either write to the individual magazines or communicate with Anbar at P.O. Box 23, Wembley HA9 8DJ; telex 935779.

### THE CORPORATE IMAGERY MIX

S. H. Britt in *Business Horizons* (Graduate School of Business, Indiana University, Bloomington, Indiana 47401 U.S.) Feb. 71.

Considers the various publics an organisation must be concerned to impress: regional and national present/potential/former customers, employees, financial community, suppliers, distributors, government; concludes that the determination of the appropriate imagery mix is a Herculean task.

Practical ends imply that the main emphasis of business studies should be on programmes which set working managers to "learn by doing" and supply theoretical knowledge, formal

teaching, and tuition accordingly.

Professor Reg Revans, managing director of the Brussels Inter-University Programme, has made an impressive—if exclusive and pricey—start in this direction in Belgium.

Such programmes will not be generally developed, however if the main emphasis is determined by academic criteria.

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This, for a start, means changing.

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**M.K. ELECTRIC HOLDINGS LTD.**

**Review by the Chairman, Mr. F. D. O'Brien Newman**

The sixth Annual General Meeting of M.K. Electric Holdings Limited was held yesterday in London, Mr. F. D. O'Brien Newman (the Chairman) presiding. The following is his circulated Statement.

The Consolidated Trading Profit of the Company and its Subsidiaries for the year ended 31st March 1971 amounted to £1,511,439. This compares with £1,459,165 for the previous year, a very satisfactory result considering the difficult conditions which have been encountered.

The profit for the Group before Taxation (but after deducting Loan Stock and the net of other interest charges) was £1,420,622 compared with £1,357,296 for the previous period. The Group charge for taxation is £490,051 as against £609,543 for 1969/70. An Interim Ordinary Dividend of 6% costing £1,60,000 gross was paid on the 22nd January 1971. Your Directors now recommend the payment of a Final Gross Dividend of 12% making 18% for the year.

### M.K. ELECTRIC LIMITED

This Company's turnover for the year slightly exceeded £1969/70 despite the low level of activity in the Building industry.

The demand for the Company's products followed its traditional pattern being considerably greater in the second half of the year than in the first. The postal strike caused a certain amount of inconvenience, but this was largely overcome by the resiliency of our Home sales staff, and few of our customers remained unsupplied with our products because of the failure of postal communications.

New designs launched in the past 12 months have given us a Shaver Supply Unit and a complementary Shaver Socket-Outlet for use with electric dry shavers, which have both been highly successful.

The progress which we have made over the last few years in increasing the degree of automation in manufacturing, particularly in the production of small parts, has been highly successful.

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# THE FINANCIAL TIMES

(Established 1881)  
Incorporating THE FINANCIAL NEWS

(Established 1851)  
Head Office Editorial & Advertising Offices:  
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.  
Telephone Day & Night: 01-245 8000. Telegrams: Finantime, London  
Telex: 886341/2, 883897

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FRIDAY JULY 23 1971

## Unemployment at 3.4%

**F**OR THE FULL unemployment figures for mid-July had been available at the beginning of the week, they could only have strengthened the arguments in favour of the Chancellor's reflationary package. In the previous two months, and especially in the month in mid-June, the rate which unemployment was using had slackened appreciably, so giving some grounds for hope that the curve might soon level out of its own accord. Now, however, it has suddenly become much steeper: an exceptionally large rise has taken the proportion of people wholly without work to 3.4 per cent.

There is no special explanation for this jump. It is possible that a larger number of adult students than usual are registered at employment exchanges, and this would account for a surprisingly large increase in the number of people unemployed in the South-East region. In the main, however, unemployment is continuing to rise because demand has turned out to be lower than was expected at the time of the budget and because inflation has not been overcome. While there was an abnormally sharp rise in unemployment during the latest month, there was an abnormally sharp fall in the number of unfilled job vacancies for adults.

### on-term

School-leavers without work are not included in these figures. The number rose last month and will rise still more next. Although school-leavers may have more difficulty than adult in finding suitable jobs, however, the employment problem is not so serious for them as it is for adults. In the first place, the number of unfilled vacancies for young people is small; in the second, half the boys and girls of 18 who are unemployed have been without work for a month or less. In the case of adult men, on the other hand, the duration for which many of them have been unemployed is one of the most serious features of the situation. The broad picture is

It is possible that the proportion of the long-term unemployed who are virtually unemployable for one reason or another has increased as a result of the latest recession. And the concentration of unemployment in particular regions demonstrates that the regional policies of successive governments are still a long way from achieving their object. The scheme which Mr. Carr announced this week, therefore, which seeks to persuade the unemployed to choose to go on re-training courses rather than merely to draw unemployment benefit, is of considerable potential importance. The question is whether the inducement offered is sufficient and whether enough is being done, even now, to provide training centres.

## Dr. Klasen and the D-Mark

THE German Government continues to assert, as it has done for several weeks, that it will be no decision on the return of the Deutsche mark to a fixed parity until after the summer holidays, and probably not before the annual meeting of the International Monetary Fund. Yet if any significance is to be attached to Tuesday's press conference by Dr. Karl Klasen, the Bundesbank President, it is that a revaluation of the D-Mark is now a foregone conclusion, even if the date and the amount remain uncertain.

### olar sales

This was certainly the conclusion drawn by the foreign exchange markets from his statement that the Bundesbank did not happen to sell another DM100,000 worth of dollars, and that Germany's partners are no longer demanding a turn in the old parity of DM3.66. Bundesbank sales on Tuesday pushed the D-Mark 55 per cent above its official level, and though the Bank moved out of the market yesterday, the rate moved still higher up, to a de facto valuation of 5.8 per cent.

The Economics Ministry seems to devout signs of a cool-off in the German boom, and there are those in Bonn who fear that by the autumn the austere German situation may such as to make a revaluation inappropriate. In view of the experience of the past few years, however, the German economy would have to be going into a recession before the Government could plausibly turn to DM3.66 with any hope making it stuck.

Meanwhile in Paris, the Government continues to deny mors that the franc could be candidate for revaluation—mors which the German Agriculture Minister, Josef Ertl, has been doing his best to keep ve in the past few days. In truly national terms, the French Government's position is evidently re-holding the balance of its best service

would add to the problems of the Common Market's farm policy, whose prices are fixed in terms of gold.

Yet it now appears that influential figures in the French administration are beginning to question whether these arguments deal satisfactorily with all the aspects of the situation.

The franc may not be an undervalued currency in relation to the world at large; but like most European currencies it is probably undervalued in relation to the dollar, and with every week that passes it begins to look increasingly undervalued in relation to the D-Mark, especially when one takes account of the 20 per cent gap opened up by the parity changes of 1969.

All the Common Market countries are now immensely dependent on their trade with each other, which accounts for between 40 and 50 per cent of their world trade. This dependence is particularly acute in the case of the three small countries, and it seems likely that they would be forced to follow in the wake of any German revaluation of much more than 5 per cent, even though Holland's payments are in deficit. The French Government may be reluctant to undo the benefits of the 1969 devaluation, even if the date and the amount remain uncertain.

As racehorses go, Mill Reef is unusual. He is worth £2m.—and completely uninsured. It is not that owner Mr. Paul Mellon, for whom Mill Reef has already won the Derby, the Eclipse Stake and more than £120,000, does not think highly of his horse. He does. He will certainly be at Ascot to-morrow to watch Mill Reef (hopefully) win the King George VI and Queen Elizabeth Stakes, the race which De Beers is to sponsor in 1972. Nor is it that Mellon cannot afford the premiums—the Philadelphia banking family from which he comes is one of the richest in the world. It is simply that when you own as many racehorses as Mellon does (at least 20 in Britain and many more in America), where do you begin?

To insure Mill Reef fully against mortality at the going rate of about 2.5 per cent per £100 would cost £50,000 a year, and would at least temporarily swamp this specialised, if lucrative, sector of the London insurance market. According to a leading broker's estimate yesterday, London handles roughly 90 per cent of the world trade in equine insurance. Its total value is unknown, but certainly runs to "many millions of pounds."

Lloyd's handles a good 50 per cent of the business. The remainder is usually spread around among a limited number of big companies (Sun Alliance and London and the Norwick Union, for example).

Much of the most lucrative business comes from the U.S.

# Boom time at last for the motor manufacturers

BY JAMES ENSOR

THE MOTOR industry now faces some of the most encouraging prospects it has been able to look forward to for 10 years. The Chancellor's actions last Monday are bound to boost demand for cars, more than that of any other product except, possibly, colour television, for car buying has become a highly psychological process. Most Britons now own cars, and the market has become largely one of replacement. Except in rare instances, the new car buyer is trading in an old one which still has plenty of mileage left. If his financial position looks precarious, or if new car prices are too high, he can easily postpone a purchase. He also conceals the fact that the proportion of men without work is below 4 per cent in only two of the regions, amounts to 4.7 per cent overall and has reached 10.2 per cent in Northern Ireland. Of these unemployed men, at the latest analysis in May, nearly two-thirds had been without work for two months or more and nearly a third for six months or more.

### Re-training

Mr. Barber's package, together with the measures which were already in the pipeline, should have the effect before long of preventing unemployment from rising further, but it may be some time before the figure comes down to a more tolerable level. It may well be that it will not even then return to as low a level as that to which we have been accustomed. Employers have been forced by rising labour costs to find ways of economising in the use of labour and may not forget what they have learnt when demand recovers.

It is possible that the proportion of the long-term unemployed who are virtually unemployable for one reason or another has increased as a result of the latest recession. And the concentration of unemployment in particular regions demonstrates that the regional policies of successive governments are still a long way from achieving their object. The scheme which Mr. Carr announced this week, therefore, which seeks to persuade the unemployed to choose to go on re-training courses rather than merely to draw unemployment benefit, is of considerable potential importance. The question is whether the inducement offered is sufficient and whether enough is being done, even now, to provide training centres.

### Discouraging factors

In the past few months there have been a number of factors to discourage car buyers. Prices have been rising faster than ever before, with a 10 per cent annual increment becoming the rule. At the same time, second-hand prices have been below 1970 levels, so the buyer of a new car has had to dig deeply into his pocket to find the cash to bridge the gap between the trade-in value of his old car and the price of the new one. And buyers have found it increasingly difficult to bridge that gap.

The car market, inevitably, was beginning to feel the effects of this cost escalation—as economists in the industry had expected. Although 1971 started well with high registrations, running as much as 15 per cent ahead of comparable months in 1970, the gains had begun to tail off appreciably. In June, the figures released to-day show, the gain was barely 3 per cent over 1970. The total sales of 100,000 cars made it only a mediocre month, and when the figures are adjusted to an annual rate they produce an outcome which is only slightly better than 1970. For the British manufacturers the position was even less encouraging, for their total sales of 50,000 were lower than in June, 1970. In short, any slight boost in the market was being taken by imports.

But the abandonment of strict purchase restrictions and the purchase tax cuts have changed the position from one of stagnation to one of gentle expansion. It seems that the immediate effect will be to create record sales in August, giving the industry perhaps the best single month that it has ever recorded. And the year's sales may reach the 1.2m. mark, some 35,000 cars more than the industry had expected.

The real gain, though, will come in 1972, which should be a record year. The Chancellor, it is estimated, will have added

Naturally, in an industry

### U.K. car market—where the models compete

PRICE RANGE*	SECTOR LEADER	BRITISH	IMPORT	IMPORT SHARE
Under £600 Fiat 500 —			Fiat 500, Citroen Dyane, Honda N600	100%
Under £700 Mini Mini, Imp			Renault 4, Fiat 850, NSU Prinz, Citroen Ami, DAF 33	20%
Under £800 Viva Viva			Volkswagen 1200, Renault 6, Simca 1000, Opel Kadett	32%
Under £900 1100/1300 1100/1300, Escort, Avenger			Renault 8, Fiat 128, Simca 1100, DAF 55	8%
Under £1,000 Cortina Cortina, Marina, Hunter, Firenza, Tined			Renault 12, Fiat 124, Simca 1204, Toyota Corolla, Datsun 1400-1600, Citroen GS	10%
Under £1,200 Capri Capri, Maxi, Zephyr, Viceroy, Triumph 1500, 1800			Renault 16, Volkswagen 1600, Peugeot 204, Simca 1301, Simca 1501	15%
Under £1,500 Fiat 125 Cresta, Rapier			Fiat 125, Chrysler 180, Opel Rekord, Opel Ascona, Toyota Corona, Datsun 1800, Lancia Fulvia, Simca 1501, Opel Manta	75%
Under £2,000 Rover 2000 Rover 2000, Triumph 2000, Zodiac, Ventora, Viscount			Vauxhall 144, Austin 100 LS, BMW 1600-1800, Alfa Romeo 1300, Alfa Romeo 1750, Saab 99, Opel Commodore, Thynta Crown, Peugeot 504	30%
Under £2,000 Jaguar XJ6 —	Jaguar XJ6, Rover 3½ litre, Reliant Scimitar		Mercedes 220, BMW 2500, Volvo 164, NSU Ro 80	33%
Under £5,000 Mercedes 280 —			Mercedes 280, BMW 2800, Porsche 911	100%
Over £5,000 Rolls-Royce Jensen, Aston Martin, Rolls-Royce			Ferrari, Mercedes 300 SEL, Mercedes 350 SL, Mercedes 600, Lamborghini, Maserati	15%

\*Also showing the expected yearly sales.

where volume and profit are almost synonymous, such production gains have produced their financial reward. The industry has climbed out of the disastrous trough of 1970, when three of the four volume producers were losing money heavily. Alex Rhea, Vauxhall's new managing director, was able to report six months' profits of £2.29m. before tax yesterday, a sharp recovery from the £1.09m. lost in the year. Vauxhall and Hillman Imp. These small cars are quite unprofitable to produce—one reason why neither Ford nor Vauxhall bothers to—so that the British industry is content that imports should corner this market.

Imports have also sold well in two other sectors of the market—the £1,200-£1,500 price range and the £3,000-plus category. In the mass volume sectors represented by the Austin 1100, the Ford Cortina and Capri, where the British industry is entrenched, they have had to be content with a modest share of the market.

At Vauxhall's Luton and Ellesmere Port plants, where matters became serious during 1970, labour is more co-operative. Ford, it is true, still faces difficulties at Halewood and

Swansea, where the bitterness of the recent strike has not yet been smoothed away. But growing unemployment and the collapse of Rolls-Royce and Upper Clyde Shipbuilders with their ensuing redundancies, seem to have made their mark on the British motor worker. There appears to be a much greater awareness than before that the British industry is engaged in a struggle with the Continental producers on which its future depends.

### Importer vs. importer

With market growth and better labour relations in prospect, British motor executives now have only heavy wage increases to worry about. Most sales directors accept that the importers will never be dislodged from their present position in Britain. An import market share of 20 per cent or more is the norm for Common Market car producers, and there is no reason to assume that Britain will be different.

Probably imports will continue to gain beyond the 20 per cent reached in May and June,

to perhaps an eventual ceiling of 25 per cent. But their growth from now on will be much slower than in the past.

The importers are beginning to compete among themselves as much as against British producers. As the table shows, imports have been highly successful in certain clearly defined market sectors. They have sold well in the under £300 class, where they face little British competition except from the Mini and Hillman Imp. These small cars are quite unprofitable to produce—one reason why neither Ford nor Vauxhall bothers to—so that the British industry is content that imports should corner this market.

The bright Common Market prospect is, perhaps, the best omen of all for the motor industry. Lord Stokes, Gilbert Hunt and other industry chiefs have repeatedly urged British membership. With its present cost position, which is better than the German or Italian ones (though worse than the French), the British industry should certainly gain from membership.

### Marketing support

Vauxhall, for instance, will gain access to the General Motors sales companies in France, Italy and Benelux on a footing more comparable to Opel's. Similarly, Chrysler will have more incentive to sell British cars in the Common Market with the kind of effective marketing and sales support which has tripled its imports of French cars this year.

In the longer run, the prosperity of the British car industry will depend on its product innovation, which has been cramped by poor markets in recent years.

Models such as the Avenger, Marina, Capri, Rover and Jaguar XJ6 compare favourably in design and pricing with anything produced on the Continent. But Renault, which in the past few years has introduced the Renault 6, 12, 15, 17, or Fiat, with the Fiat 128, 130 and 127, has set a higher rate of model introduction, which is better than the German or Italian ones.

At Vauxhall's Luton and Ellesmere Port plants, where matters became serious during 1970, labour is more co-operative. Ford, it is true, still faces difficulties at Halewood and

probably imports will continue to gain beyond the 20 per cent reached in May and June, its cars upwards, leaving only

## MEN AND MATTERS

### Why one rich American did not come to Lloyd's with his horse

As racehorses go, Mill Reef is unusual. He is worth £2m.—and completely uninsured. It is not that owner Mr. Paul Mellon, for whom Mill Reef has already won the Derby, the Eclipse Stake and more than £120,000, does not think highly of his horse. He does. He will certainly be at Ascot to-morrow to watch Mill Reef (hopefully) win the King George VI and Queen Elizabeth Stakes, the race which De Beers is to sponsor in 1972.

Nor is it that Mellon cannot afford the premiums—the Philadelphia banking family from which he comes is one of the richest in the world. It is simply that when you own as many racehorses as Mellon does (at least 20 in Britain and many more in America), where do you begin?

To insure Mill Reef fully against mortality at the going rate of about 2.5 per cent per £100 would cost £50,000 a year, and would at least temporarily swamp this specialised, if lucrative, sector of the London insurance market.

According to a leading broker's estimate yesterday, London handles roughly 90 per cent of the world trade in equine insurance. Its total value is unknown, but certainly runs to "many millions of pounds."

Lloyd's handles a good 50 per cent of the business. The remainder is usually spread around among a limited number of big companies (Sun Alliance and London and the Norwick Union, for example).

### ...and another took to polo and rock

"There is this moment of fearful suspicion as the hairy ones meet the rather square polo players. But in the end they have always got along very happily," Mr. Michael Butler was explaining his strange crossing of social barriers. He is very rich, coming from the American family whose fortunes are based on paper making and real estate. He followed his father in being a polo enthusiast and player, despite a

crippled arm. But he didn't go into paper. Instead he has backed and produced the musical *Hair*. His present project is *Lenny*, a New York series based on the life of the late drug-taking black humorist Lenny Bruce. The next is a rock musical about the Frankensteen story.

Butler has made a point of "taking some of the kids out to the matches, and telling the polo brigade to groove on *Hair*." He is also convinced that "polo will survive only if it broadens its social base." So in one sense, Butler slightly disapproves of the polo jamboree he has helped to organise on Sunday, the Coronation Cup match between England and the U.S. at Cowdray Park.

For in this kind of polo, the base is very narrow. For example, ordinary players can get by with one pony, certainly with three. But on Sunday the teams of four players will be using a different pony for each

## POLITICS TO-DAY

# Mr. Wilson stumbles into danger

BY DAVID WATT, Political Editor

HAROLD WILSON is in the process of being destroyed by the Common Market issue. It is a tragic spectacle in the strict sense of that term—showing, as it does, the ineluctable consequences of flaws in the hero's character and evoking feelings of pity and terror. Nemesis has not yet delivered the coup de grâce, and may not do so for many months but her band is at work, and the Furies have already been unleashed.

**Rejoicing**

The horrid tableau presented to us at the beginning of this week hardly needs to be described. The Labour Party was not simply split, but was beginning to draw its swords for internecine war. The leader had violently attacked some of his lieutenants and they had defied him. A chorus of newspapers was jeering from upstage. The Conservative enemy could be seen rejoicing in the distance.

The fact that a lot of those actors have now agreed to move into less menacing attitudes should not deceive us. The truth is that during the last few weeks Mr. Wilson lost control of events and of his party. He knows it and the party knows it—and that, for a party leader, is a blow from which it is very hard, and often impossible, to recover.

The chain of cause and effect leading to this scene has not been forged at every link by Mr. Wilson. Other people have made mistakes and miscalculations. But the basic error was Mr. Wilson's, and the

failure to cope with the consequences during the last few days has been his as well.

Early this year when the Common Market issue began to loom over the horizon Mr. Wilson took a deliberate decision not to take a position until the last possible moment. This decision was partly the automatic reaction of a cautious politician, partly a temperamental aversion to facing unpleasant difficulties and partly the result of his preoccupation with the writing of his memoirs.

If this was considered too heroic, Mr. Wilson had another option—more devious, and perhaps contemptible, but nevertheless just about politically viable. This was to say that he remained strongly pro-European and that the terms would do at a pinch, but that the present Conservative Government was so iniquitous that it could not be trusted to alleviate the consequences of Market entry for the working class. Labour would hope to lead Britain into Europe at a later date but would refuse to condemn its supporters to two unnecessary years of torture. If he had adopted this position Mr. Wilson would have had to face the argument that this was Britain's last chance. What Mr. Wilson seems to have overlooked is that in an attack on the terms he was almost bound to lay bare again his oldest and greatest weakness—his lack of credibility.

Now I am not one of those who condemn Mr. Wilson outright for failing to try to force his party into complete agreement with Market entry. I doubt if it could have been done, and in any case the attempt to do it would have caused the kind of blood-letting which no party leader could really expect to embark upon. His choice lay between three other possibilities.

The first of these, and, I believe, for the best, would have been to say that he remained in favour of entry to the EEC, that the terms while not as good as those which a

dynamic Labour negotiator would have brought back, were just about tolerable, and that he personally would therefore vote for them. He would add that he recognised the deep feelings of a large section of the party, that he respected them and that he was sure his parliamentary colleagues would take note of them. On a matter of this importance, however, each MP must make up his own mind and that would therefore be a free vote.

If this was considered too simple a way of putting off a decision was to state that he would wait to see the "terms". As a delaying tactic this worked perfectly well. But in a way it worked too well because it prevented him seeing the nature of the danger which lay ahead and also led him by a natural progression of political logic into making the "terms" when they appeared the central point of his argument.

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The first of these, and, I believe, for the best, would have been to say that he remained in favour of entry to the EEC, that the terms while not as good as those which a

to leave him dangerously exposed to a take-over bid by Mr. Callaghan. What Mr. Wilson seems to have overlooked is that in an attack on the terms he was almost bound to lay bare again his oldest and greatest weakness—his lack of credibility.

If Mr. Wilson had been a kind of Gladstone with a vast reputation (however ill-founded) for high principle, consistency it would still have constrained the crudity of the man in the street when he said

mouth reciting his own speeches backwards.

Some of his colleagues warned him clearly some time ago that on this occasion they were not prepared to join him in this posture and he should have realised that in the light of his past neither the public nor even the party was going to believe him rather than Mr. George Thomson, Mr. Harold Lever and Mr. Jenkins when it came to his word against theirs. Similarly with several individual items in the package. He might have realised that it

might be difficult for him to take on the sugar producers and the New Zealand Government, and persuade everyone particularly except that this is no time for Mr. Jenkins to raise the leadership question.

If Mr. Jenkins wants to become leader, as he does, his correct strategy is to support Mr. Wilson in office until the Common Market controversy is well and truly past, for if Mr. Wilson were to fall in the next 12 months it would certainly not be Mr. Jenkins who would succeed him.

Mr. Wilson forgot his community of interest in keeping Mr. Callaghan because he is a man who panics very easily when he sees his personal position in danger. Mr. Thomson's statement about the terms seems to have made him realise that the pro-Marketeers would carry their opposition far enough to provoke a challenge to his authority and be overruled with his distinctly unpleasant speech at the Saturday conference. Mr. Jenkins reacted sharply to this on Monday and thereby aroused briefly all the old persecution mania which seems to overtake Mr. Wilson at moments of crisis.

Both sides seem now to have realised that this row was bad for the party and bad for their own individual interests, but the whole affair leaves Mr. Wilson basically still more exposed. Everything he has done has been entirely in character from the start—the peregrinations, the choice of the soft option, the belief that words do not really matter except as balls to juggle with, the desperate over-reaction when

the moment of reckoning comes and the tendency to spot and conspire whenever tension rises. There is also the fear, a genuine concern about the future of the party and the country, but as so often before these have been quickly forgotten.

This demonstration of the unregenerate Harold will be known and suspected for so long before these have been quick lights, only fitfully seen as follows the winding convolutions of Mr. Wilson's path.

This demonstration of the unregenerate Harold will be known and suspected for so long before these have been quick lights, only fitfully seen as follows the winding convolutions of Mr. Wilson's path.

**Distrust**

Yet none of this supports any longer the slighting, cynical or perfidious or loyalty of it. The Left despises him, the Right distrusts him, and the Centre feels he has lost his grip. The events of the past few weeks have confirmed all these feelings and the events of the next three months will surely increase them. I am inclined to think that they will probably not much even for his astonishing powers of resilience before the next election.

## £10m. Swan Hunter contract

BY JAMES McDONALD, SHIPPING CORRESPONDENT

SMITH'S DOCK COMPANY—a member of the Swan Hunter north-east coast shipyard group—has won a contract worth about £10m. to build two 12,000-tonne cellular container ships for Manchester Liners, part of the Furness Withy shipping group.

The orders are complete with containers and the ships are scheduled for delivery about mid-1973 when they will be put into service on Manchester

liners' container service between Manchester and Montreal.

In design they are similar to the three container ships already built by the Swan Hunter group for Manchester Liners for its transatlantic container service. Each will be able to carry the equivalent of 600 ISO-standard 20-foot containers, with allowance for 40-foot containers.

They will be powered by Crossley Pleistick-type diesel engines giving a service speed of 20 knots. This contract is the total value of ships ordered at Smith's Dock to over £40m.

Apart from fitting-out work, the first of two 10,500-tonne c.t. vessels for the Finland Shipping Company, the yard is busy on the first of four refrigerated cargo ships for Island Fruit Reifiers Shipping Company, each of 7,600 dwt and valued together at £24m.

## THE YORKSHIRE DYEWARE AND CHEMICAL COMPANY LIMITED

PRE-TAX PROFITS REACH RECORD £1.16M.

Sir Donald Kaberry on Group's continuing expansion

The 71st Annual General Meeting of The Yorkshire Dyeware and Chemical Company Limited was held on 22nd July in Leeds. Sir Donald Kaberry, Bt., T.D., M.P. (the Chairman) presiding.

In moving the adoption of the Directors' Report and Annual Accounts for the year to 31st March 1971, the Chairman, in the course of his address to Shareholders, said:

Profits, Dividends and Reserves: the Report before you shows the substantial progress made by the Group during the past year. Sales increased by 25% to £7.98 million sterling and pre-tax profits rose 47% to a record of £1.16 million, compared with £787,000 in the previous year. After deduction of tax, the net profit was almost double £682,000, compared with £348,000 the previous year. It is proposed to raise the final Dividend to 20.5%, making a total of 27% for the year, compared with 23.5% in the previous year. I am sure you will all agree that these results reflect great credit on all those in the Group whose combined efforts led to this achievement. I want to pay tribute, on your behalf, to their endeavours during the past year.

## Change of Company Name

It is intended to move a Special Resolution to change the name of the Company to that of "Yorkshire Chemicals Limited". The reason behind this is to make the name less cumbersome, more in keeping with present day usage and yet indicative of the current nature of the Group's business. May I remind you that the present name was first adopted in 1900, when eleven West Riding of Yorkshire companies then engaged in the manufacture and supply of dyes, tanning extracts and chemicals, were amalgamated. Many of them had, in fact, been in existence in the West Riding, particularly in and around Leeds and Huddersfield, from about 1820. Since that time most of the manufacturers of the original Company have been changed, and instead of being derived from natural sources now come from synthetically produced chemicals. In more recent times, the Group has become especially known the world over for its dyes for man-made fibres.

It is therefore felt that in concert with the names used by the Group in its overseas subsidiaries in Western Germany, Spain, Holland and France, and also shortly by change of name in Australasia, it would be better to have a smaller and more concise name and call ourselves for the future Yorkshire Chemicals Limited whilst at the same time retaining the goodwill associated with The Yorkshire Dyeware and Chemical Company Limited. Thus the name will be changed, but the quality of its products and the service it provides will continue to be improved upon as they always have been over the past years.

## Future Finance

Members will shortly receive notices convening an Extraordinary General Meeting on 19th August next. That Meeting will be asked to amend the Articles of Association of the Company relating to borrowing powers and the rights of existing Preference Shareholders. If these amendments are carried, the way will be clear to raise further capital for the financing of our programme of expansion and, in fact discussions are currently taking place with our financial advisers, Kleinwort Benson Limited, with a view to raising additional long-term capital by means of a debenture issue.

## Prospects

From that point I can turn to our prospects for the current year. As we have indicated in the Directors' Report, the year has started well and I have to tell you that in the first quarter sales are well ahead of the corresponding quarter last year. Much of our manufacturing plant is working near to the limit of its capacity. As I indicated earlier, we are continually extending this capacity to ensure that we can meet the bigger demands of the future. The Group expects to have yet another successful year.

The report and accounts were adopted and the Special Resolution, altering the Company's name to "Yorkshire Chemicals Limited", was approved.

## Monetary compromise sought in time for autumn IMF meeting

BY PAUL LEWIS

THE PACE of monetary diplomacy has begun to quicken as a last attempt gets underway to hammer out a compromise on exchange rate flexibility in time for September's Ministerial meeting of the International Monetary Fund in Washington.

Following last Tuesday's discussions here in the Common Market monetary committee, the deputies of the Group of Ten may take up the flexibility issue again in early September when there is also likely to be another meeting of the OECD's Working Party Three which deals with payments problems.

This will probably be followed by a meeting of Common Market Finance Ministers in Paris around September 20 and the Group of Ten is likely to get together at Ministerial level in Washington on the eve of the IMF meeting, which begins on September 27, to make a final assessment of the prospects for agreement. The British Chancellor will be arriving direct from Nassau where he is to attend the usual pre-IMF gathering of Commonwealth Finance Ministers on September 23 and 24.

At present, the signs are that the U.S. is hoping to secure at least an agreement of principle on the need to widen currency support margins, perhaps from their present limit of 1 per cent

on each side of the official parity to about 2.5 per cent. In addition to relieving pressure on the dollar by allowing strong currencies to appreciate against it, a more flexible system of exchange rates could be used to compensate for variations in national interest rates of the kind that sparked off this year's May crisis.

The principal obstacle to an agreement along these lines remains the French Government, which is reluctant to see the surplus countries adjust their parities against the dollar. It fears that any tampering with the fixed rate system established at Bretton Woods might undermine the Common Market agricultural policy.

But while President Pompidou has refused categorically to revalue the franc in response to speculation, he has been careful not to close the door completely to some widening in exchange rate margins between the Six as a bloc and the rest of the world. In return, the French Government now seems interested in obtaining four main concessions from its Common Market partners and the U.S.

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on each side of the official parity to about 2.5 per cent. In addition to relieving pressure on the dollar by allowing strong currencies to appreciate against it, a more flexible system of exchange rates could be used to compensate for variations in national interest rates of the kind that sparked off this year's May crisis.

With a 2.5 per cent gap between production figures this year and last to be bridged, it is unlikely that the June shortfall will put too much of a brake on what looks like becoming another record year for the brewers.

## Brewers break May record

BY KENNETH GOODING

THE BREWING industry continued to set production records in May this year. The month saw 2,962,666 barrels recorded for the brewer, the best figure for May for at least 50 years.

Production was 4.5 per cent ahead of the 2,852,371 barrels recorded in May, 1970.

According to statistics put together by the Brewers Society, so far in 1971 the January-to-May total at 13,491,633 barrels is an

impressive 6.17 per cent up on the 12,707,873 recorded for the same period in 1970—year which went to produce the best annual figure for 50 years.

The interesting statistic are still to come, however, for the major brewers without exception have publicly given warnings that trade in June was well below that for the same month last year.

This seems to prove again that it is the weather more than price

which affects beer sales because the public shrugged off the increases which came into effect at the end of last year and yet drank a lot less beer during the relatively cold month of June.

With a 6.17 per cent gap between production figures this year and last to be bridged, it is unlikely that the June shortfall will put too much of a brake on what looks like becoming another record year for the brewers.

## A £25,000 emerald

At Sotheby's a jewel sale which realised £97,832, Cohen gave £25,000 for an Indian carved emerald weighing 362 carats.

A jade necklace went to Seymour for £4,400, a pair of emerald and diamond pendant ear-rings to Matthews and an antique emerald and diamond collar to Drager, each for £3,800 and a diamond brooch in the form of a four-loop bow for £4,000.

At Sotheby's, Chancery Lane, in the auction of a two-day sale of Sotheby's four table candlesticks (£840 ounces) by William Williams, Dublin, c. 1740, Bloomsbury £1,150 for a pair of Campana-shaped wine coolers (187 ounces) by Mathew Boulton, 1822, and Davidson £780 for a 20-ounce Swiss Teapot c. 1745.

Sotheby's sale of etchings, lithographs and prints realised £18,208. W. Weston Gallery gave £280 for The Reapers, an engraving by George Stubbs, Von der Becke £680 for 16 engravings of the ports of France by C. N. Cochin after

Joseph Vernet, and F. Sabin £500 for 12 coloured engravings of the 12 months of flowers published by Sayer King and Overton.

An afternoon sale of works by Dame Laura Knight at Sotheby's realised £14,192. Mrs. Edwards bought Prince Monolulu at £1,000, McConnell Mason's Gray Day of Epsom £1,000 and Gainsborough Morning Exercise, each for £4,000.

At Christie's, Chancery Lane, in the auction of a two-day sale of porcelain bowls which totalled £5,964. Sawyer paid £175 for a book of drawings including an original drawing by Sir William Russell Flint.

Before Christie's sale of furniture belonging to the Hove Corporation started, collectors were warned by National Heritage, the museums action group, that the legality of the sale was being questioned on the grounds that objects bequeathed to Hove Museum and Art Gallery were being sold. On opening the sale, the auctioneer said: "Approaches by various parties were received

by Christie's yesterday, and we are explaining that the only event at which Christie's can take notice is the service of an injunction restraining this sale. No such injunction has been served. We believe there is no statutory authority impeding this sale, and our solicitors have advised us that they are aware of no reason why purchasers should not acquire good title in the normal way."

The amount realised was £14,555. Woods Wilson paid £20 gns. for a Japanese lacquer and porcelain mounted cabinet and stand, Cross £490 gns. for a Regency rosewood writing table, and Stewart 400 gns. for a pair of Cary's celestial and terrestrial globes.

At Bonhams £19,502 picture sale, The Coronation of Francis I in Frankfurt Cathedral in the style of Longhi went for £280 to Leda. Longhi and A Woman at Her Toilet attributed to G. Terburg, to Kusler for £300. At their £8,211 furniture sale, an antique Dutch marquetry bureau-bookcase went to Ward for £790.

## Exports

During the year under review we have been especially successful with our sales overseas. Some 36% more than in the previous year has been exported. The Common

## Engineers go ahead with pay claim—Scanlon

BY OUR LABOUR STAFF

MR. HUGH SCANLON, president of the Amalgamated Union of Engineering Workers, yesterday confirmed that his union was bound to proceed with the substantial pay claim submitted last month on behalf of some 2,000 engineers, despite the economic measures announced this week.

On Tuesday, at the section's weekly executive meeting, Mr. Bob Wright attempted to move a resolution to this effect, but withdrew it when the majority of executive members expressed the view that they were not required to make a decision at that time.

Mr. Scanlon said yesterday that his attention had been drawn to statements by the Press and television which were "complete and absolute distortions of the truth."

# COMPANY NEWS + COMMENT

## Peak £2.16m. from Vaux: dividend lifted

WITH PROFITS reaching a peak of £2.16m., Vaux and Associated Breweries is stepping up its dividend by 14 per cent. to 15 pence for the year ended April 30, 1971; the final is 11 per cent. against 9½ per cent.

The profits represents an increase of £215,382 on 1969-70, and allows a half-time advance of 176,000 to £1.27m.

1970-71 1969-70  
Revenue ..... 24,600,000 25,029,000  
Administrative ..... 2,758,411 2,815,812  
Finance charges ..... 2,258,023 1,849,281  
Corporation tax ..... 1,745,261 1,711,287  
Profit before tax ..... 1,367,561 1,078,605  
Minority interest ..... 4,268 5,892  
Attributable ..... 1,357,057 1,063,312  
Dividends paid ..... 1,125,773 1,053,639  
Dividends for Ordinary ..... 1,125,773 1,053,639  
Dividends for preference shareholders ..... 446,174 223,674  
Less £44, prior year release due rate reduced.  
Capital expenditure during 1970-71 includes £23,000 spent on improving houses built on building sites, new public houses and a further £160,000 on modernising existing houses. Commitments include £1.33m. for hotel development.

It is planned to build a new hotel on Teesside and one in Edinburgh. Commitments also include £510,000 for 12 new public houses, nine of which will be in Scotland.

Chairman Mr D. Nicholson says: "Expenditure continues to rise substantially and arrangements are now agreed to raise every wages and staff salaries in amounts which will equal out 50p per barrel of output. In view of general employment problems throughout the country, the chairman believes that the present figure of employees is of interest, which including all uses amounts to less than 3 per cent. throughout the year."

The group's principal trading area is one-third Scotland, two-thirds North of England where unemployment figures remain high he points out.

### comment

Vaux has had a solid second half with profits rising 19 per cent. pre-tax against 16 per cent. midway through 1970-71, and the key is the months of the December price review. The review is roughly 16 per cent. and the first half of 1971 for a rise of 15½—rising to 16.7 fully listed at 360p, up 13p last night, or a rise this year of 40 per cent. against a gain by the sector since January of 50 per cent. That the areas have underperformed the rest of the brewing field is due to the regional problems of competition (especially in trade, perhaps 45 per cent. retail sales) and unemployment. Scotland and the North East of England are the worst affected. The result is that average retail prices have risen an extra £250,000 of beer to the grocer but less than a fifth of a penny on a pint of beer to cover that. Vaux also reckons that the low price of its beers leaves fair scope for uprating before consumer resilience levels are reached. The hard sell into hotels, though products immediate funding problems should be worthwhile in the short term, and against a brewers' share price of 18s the shares look fairly valued.

**Holliday Group pays 6½% extra**

REPORTING record profits of £220,047 for the year to April 30, 1971, against £184,383 previously, the directors of the Holliday Group of electrical installation engineers and contractors, are raising the total dividend from 23½ per cent. to 30 per cent. with a 2½ per cent. final.

At mid-way, when pre-tax profit was up from £36,179 to £46,058, the Board said it was hoping for an improvement in the year's total.

Turnover in the six months increased from £2,541,000 to £3,023,000—this is due in part to an increase in prices of wallpaper and paint and in part to the opening of new direct retail and trade outlets, state the directors.

Reorganisation of the distribution system is nearing completion and this is contributing significantly to the containment of unit costs in relation to increasing turnover.

Emphasis has been placed in recent years in developing direct retail and trade outlets. The cash business done through these has substantially improved cash flow, directors state.

They consider significant future earnings will be achieved in the unit cost of production and sales if present trends continue. Sales for the three months to June 30, 1971, show an encouraging improvement over the same 1970 period.

In view of the higher first-half sales and the effect of the postal strike on the companies credit control systems the directors considered it prudent to increase the general provision against doubtful debts by £30,000 in the half-year.

**comment**  
A 10 per cent. rise in Holliday's pre-tax profits over a lot to a bigger content of shorter term contracts, reflecting a swing to more industrial electrical installation. This side now accounts for 48 per cent. of turnover compared with between 30 and 35 per cent. a year ago. Despite the swing, though, margins still dipped slightly, partially reflecting the effect of inflation on long-term contracts but mainly due to the short notice of increased training.

For the full year to September 30, 1970, pre-tax profits were £2m. from sales of £24.71m.

**comment**  
The upswing in Scottish Agricultural

## Scottish Agricultural

REACTORS of Scottish Agricultural Industries are increasing the interim dividend from 6 per cent. to 7 per cent. for the year to September 30, 1971. The previous dividend was 15 per cent.

For the eight months to May 31, 1971, sales rose from £16.7m. to £17.5m. and pre-tax profits amounted to £1m. against £800,000 for the corresponding period.

For the full year to September 30, 1970, pre-tax profits were £2m. from sales of £24.71m.

**comment**

This announcement appears as a matter of record only.



**\$100,000,000**  
**Autopistas Concesionaria**  
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The Royal Bank of Canada  
Société Générale  
The Standard Bank Ltd.  
Union de Banques Arabes et Françaises-U.B.A.F.  
Westdeutsche Landesbank Girozentrale

**Arranged by**  
**The Chase Manhattan Bank, N.A.**

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Holiday Group	20	2	Standard Trust	20	5
Howden Group	20	7	Tate & Lyle	22	1
Kent (George)	22	6	Thorn Electrical	21	1
Ladies Pride	21	2	Vaux Breweries	20	1
Leyland Paint	20	3	Westforth Electrical	20	4
Mars Bros.	22	5	Wheatshaf	22	6

for a good part of the 20 per cent. jump in sales (no more are planned until the autumn), there has also been a good increase in volume following the modernisation and upgrading of over half the group's outlets. The remaining outlets are unsuitable for such treatment, and the emphasis will now be on opening new units (four have already been opened this year). So with an excellent summer so far, at any rate) for summer, the main winter to stimulate homes sales, the benefits of the centralised distribution network and expanding exports, the prospects look good. On latest 12 months' earnings of 5p a share (against 3.75p in 1969-70), the shares at 53p on a p/s of 10.6 seem on the low side, especially as main boost will probably come in the second six months.

## Neepsend Steel profits up

DESPITE DIFFICULT trading conditions towards the end of the year ended March 31, 1971, the Board of Neepsend Steel and Tool reports an increase in profits for the financial year. Net earnings per share of 1.35p in 1969-70, the figure is £1,361,132 against £1,233,770 in 1969-70.

A final dividend of 6.25p per share maintains the total at 8.75p per 25p share. Net earnings per share have increased from 10.38p to 12.81p.

This year's figure for trading profits has been reduced by £15,000 set aside for outstanding debts in respect of Rolls-Royce.

Control of stocks and debtors has resulted in a £540,000 reduction in these items to £615,000. This represents 11 per cent. in relation to sales. At the same time the cost of debtors has been cut by £300,000.

In view of this, the directors are confident that the group is now in a much better position to take advantage of the expected improvement in the economy following the Government's regulatory measures.

1970-71 1969-70

	Current	Date of payment	Total spending for year	last year
	payment	%	%	%
Atlantic Assets	10.625p		0.625p	0.625p
Butterfield-Harvey	4.1	Aug. 27	(c) 7½	19
Cardinal Invest	2nd int	7.92	(e)	19
Colonial Securities	int	12	12	—
Derby Trust	4.93	Aug. 31	4.86	(d) 28
English Association	int	21	21	—
Globe Glovers	int	7.5	7.5	22
Governments Stock	int	9	Oct. 1	20
Hammill Brick	int	7	Aug. 17	7
Hine Parker	N.D.	18	74	154
Holiday Group	23½	Oct. 6	17½	30
Howden	g	—	15	15
Industrial Midland	nil	—	nil	nil
Investing in Success	int	10.75p	Sept. 30	1.75p
George Kent	N.H.	1.625p	—	11
Ladies Pride O'wear	int	5	Sept. 16	5
Leyland Paint	int	3	Aug. 24	3
Mars Bros.	5	Aug. 12	5	12½
Net profit	556,417	89.32	612,132	121,823
Trade inv. grants rec'd	14,383	11.869	14,383	—
Dividends	234,063	279,543	234,063	279,543
Retained	273,122	167,673	273,122	167,673
Forward	1,681,659	1,350,631	1,681,659	1,350,631

### comment

Neepsend's 104 per cent. rise in annual pre-tax profits has continued the climb back to the peak level of 1965-66 but the pace has slackened considerably since the 30 per cent. growth of 1969-70. Demand began to fall off in the second six months and most of the second half growth seems to come from the benefits of the current reorganisation programme, which in the last 18 months has reduced the number of factories in the group from 40 to 12. The 1971-72 prospects are overshadowed by the current steel downturn and although the group should now be better equipped to meet any pick-up, unless there is one quite soon the recovery could come to a standstill. So, the caution of the shares at 119p on a p/e of 9.0 seems well justified.

### 4% more by Westforth Electrical

A FINAL dividend, increased from 10 per cent. to 14 per cent. by Westforth Electrical and Automation effectively raises the total to 16 per cent. to 20 per cent. for the year to March 31, 1971.

Pre-tax profits fell to £396,590 against £632,831 after being down from £339,000 to £144,000 at the half-year.

After a lighter tax charge and minorities, net attributable profit for the year was £225,473 against £234,714 previously.

1970-71 1969-70

	Half	Half	Year	Year
	year	year	year	year
Sales	2,722	2,581	£	£
Home trade	2,722	2,581	220,974	216,573
Export	346	258	220,097	214,543
Total	3,068	2,839	431,071	431,121
Exceptional	43	47	302	302
Profit	109	60	361,969	360,531
Exceptional expenditure	—	16	361,969	360,531
Net profit	140	32	361,969	360,531

### comment

Compared to the poor first-half of 1969-70 (when the sustained cold weather depressed sales) Leyland Paint has nearly trebled pre-tax profits and lifted marginally 1.9 per cent. to 4.6 per cent.

Although price increases account



Chairman Mr. Michael Montague told yesterday's annual meeting of Valor Company that results for the first quarter were up to budget and "if the present trend continues it will be necessary to further increase the forecast profit" of £600,000 for the current year.

# Powell Duffryn 1% extra

REPORTING AN IMPROVEMENT OF £184,000 to £2,163,000 in net attributable profits, after tax and dividends, for the year to March 31, 1971, the directors of Powell Duffryn are raising the dividend total by 1 per cent to 13 pence, with a 10 per cent final recommendation.

The Group's trading profit at £4,042,000 was £142,000 higher than the previous year, after charging Hy-Mac's trading loss of £1.64m. (£233,000).

1970-71 1969-70  
Operating profit and trade 1,877 2,000  
Investment income 3,146 2,722  
Depreciation 4,241 4,078  
Trading profit 30% owned assets 701 1,149  
Mortgage interest 4,708  
Interest paid, less received 1,097 1,097  
Profit 3,243 3,675  
Taxation 1,651 1,572  
Minorities 2,002 2,002  
Net balance 2,243 1,773  
Exceptional credits 1,062 1,062  
Available 3,312 3,833  
Preference dividends 278 305  
Ordinary interim 378 385  
Final proposed 1,259 1,111  
Including 10% share of associates' profits 1,000

Si. Alec Ogilvie, chairman, points out that results would have been very similar if there had not been for the trading loss of Hy-Mac. That company's troubles, as known, were problems of management and administration, particularly of stock and financial control, following its "too rapid" development in previous years.

Si. Alec says that in their determination to "get things right", the directors have carried out a complete reorganisation in a year when there was a severe recession in the construction equipment industry generally. "Inevitably, the process has been painful and costly."

But, a result, "we now have what is virtually a new company, with new top management and a sensible reduction in size and labour force. The Hy-Mac is a first-class excavator with a proud reputation and, given a reasonable upturn in the market, we are confident that the company will become a contributor to group profits once again," he declares.

The rest of the group produced profits exceeding those in the previous year by over 25%, an increase of 25 per cent. "Particularly good results were achieved by the shipping, fuel distribution, timber and quarries divisions. There was continued growth from Hamworthy Engineering, the overseas trading division, and from the pollution control division.

"For the current year, although trading conditions remain difficult and forecasting is never easy, the trend in Powell Duffryn

## Ladies Pride profit up

Profits of Ladies Pride, after tax for the six months to May 31, increased from £114,771 to £174,948 before tax of £72,000 (£81,500). Profits for the previous year were £265,532.

A maintained interim dividend of 5 per cent is declared. The dividend for 1970-71 was 22½ per cent.

Output in the period running

at a high level and production

for the remainder of the year is

fully sold to home and overseas

customers, the directors say.

The upward trend in profits

should continue, they add.

### • comment

Ladies Pride is back to profits growth, and if the six months figures are any guide it is bent on making up for time lost in the two years 1965-70. Pre-tax, we have a rise of 52 per cent, and since three-quarters of profits stem from dressed and suits that bring quite a jump in price, there is no question of a cut in prices for future sales unless only a fifth of 60p to nearly 10p.

Even so, this still does not satisfy Redfern, whose directors, together with members of the Miles family, control 37 per cent of the equity. Mr. A. W. A. Newman, a director, said the Board's immediate reaction to the new offer was that it was "still quite inadequate."

Mr. Newman added that the directors would be meeting with advisers, Hambrick Bank, to-day.

According to British Vita's advisers, N. M. Rothschild & Sons, terms of the new bid are after 10 Ordinary shares or every 28 shares of Redfern, or five new British Vita shares, plus £14.5 nominal of 7½ per cent Convertible Unsecured Loan Stock for every 28 Redfern. British Vita were unchanged yesterday at 24p, while Redfern rose 1p to 10p.

The offer closes on July 30.

GRAND MET. HAS  
10.3 PER CENT.  
OF TRUMAN

Indications were yesterday that Watney Mann will wait until it sees rival bidder Grand Metropolitan Hotels' formal offer for Truman Hotels. But, before any statement about its position, there is a possibility that S. G. Warburg, on behalf of Grand Met., might get the formal documents read in time to be posted at the week-end.

Meanwhile, Watney continued to keep its options open by buying more Truman shares in the market yesterday—but not many. On Wednesday Watney bought 60,000 Truman at 41p each to take its stake to just over 23 per cent.

Nonetheless, it appears that

# Thorn £6m. profit upsurge —paying 2½% more

IN A "very satisfactory year" Thorn Electrical Industries has pushed up its profit by 56.64m. to £37.21m. And for the future the directors are looking to continued growth.

The dividend is raised 2½ per cent to 24 per cent, with a final of 15 per cent. This is equal to 6p 5½p from stated earnings up from 13p to 17.1p.

At half-way, the profit advance will be included in the final proposed for the year 1971-72.

Meeting, September 1, and report and accounts posted on or about August 3.

See Lex

provement because of the substantial depreciation and installation charges incurred with the build-up of colour rental.

The directors feel it is necessary to take a cautious view of short-term trading prospects as so far there has been insufficient time to assess the results of the Chancellor's inflationary measures and there is no evidence yet that inflation has been brought under control.

However, with the initial build-up of colour television completed, profits from colour rental will begin to show in 1971-72 and this is supported by the solid profit base of the wide range of consumer and capital goods, should provide continued growth.

Meeting, August 27.

See Lex

## Mt. Charlotte growth

At the annual meeting of Mount Charlotte Investments, chairman,

As expected, television rental profits showed only a small im-

provement because of the substantial depreciation and installation charges incurred with the build-up of colour rental.

Mr. P. Williams reiterated that profits in the current year are expected to show a further "reasonable" increase.

Mr. Williams pointed out that the postal strike had affected bookings—although turnover lost might be recovered later in the year. Because of seasonal influences the six-monthly figures, which will be produced for the first time this year, could also be misleading.

The go-ahead on the proposed 125-bed hotel to be built in the Avon Gorge at Bristol currently awaits the decision of the Minister for the Environment following the public local inquiry.

Concluding, Mr. Williams said the capital reorganisation, in January, the "rights" issue in April, and the current increase in authorised capital could only be a prelude to expansion and his view was that it would take place on three fronts: the acquisition of further substantial city centre hotels, the acquisition of restaurants or a restaurant chain and last, the possibility of expansion abroad.

Details of the Group trading profit unaudited for the six months ended 31st March, 1971, and of the Group profit at present estimated for the full year are shown below in comparison with the 1970 results. Figures for the six months periods exclude the raw sugar producing companies as the nature of their operations makes half-yearly statements impractical.

1971 1970

6 Months to 6 Months to 6 Months to 6 Months to  
31st Mar. 30th Sept. 31st Mar. 30th Sept.  
£'000 £'000 £'000 £'000

**Refining and Distribution:**

United Kingdom 2,022 4,550 801 7,744  
Canada 1,154 3,320 1,371 3,540  
Africa 250 510 271 540  
**Molasses, Alcohol and Liquid Commodity Trading, Storage and Distribution:** 1,00 1,170 2,012 3,203  
**Shipping:** 1,903 3,830 1,290 3,266  
**Engineering and Miscellaneous:**

United Kingdom (271) (250) 162 (159)  
Overseas (184) (230) (211) (211)

5,444 13,350 5,704 16,918

14,000 12,326

**Production of Raw Sugar including local refining:**

British Honduras (220) 13,431  
Jamaica 1,880 19,585  
South Africa 700 11,711  
Zambia 720 11,631

14,000 12,326

**Deduct Holding Company's Expenses:**

Finance 1,540 1,848  
Administration 1,100 1,055  
Research 250 218

11,110 9,163

**Profit before Taxation:**

Charge for Taxation: United Kingdom 2,320 2,345  
Overseas 2,730 2,404

5,050 4,749

80 500 4,249

**Deduct Prior Year's adjustments:**

Net Profit after providing for Taxation 8,140 4,814  
Share of Minority Interests 1,310 624

4,830 156 4,290 156

Profit attributable to Tate & Lyle, Limited 51,674 51,134

Earnings per share 10.8p 9.7p

The estimated profit before taxation for the year is £1,947,000 higher than 1970; if £2,060,000 which has been incurred in Argentina. This was due amongst other things to misjudgments in trading, to devaluation, and to restrictions placed on exports by the Argentine Government which caused a loss on stocks of sunflower seed already bought for the export trade.

In view of the uncertainties of trading in Argentina, it has been decided to curtail severely future activities. This loss of £2,060,000 has been partly offset by a revaluation of molasses stocks elsewhere in the Group which produced a surplus of £54,000.

**REFINING AND DISTRIBUTION**

From April, 1971, U.K. Refining has had the advantage of the increased margin following the successful conclusion of negotiations with the Government. However, the specially favourable export opportunities which arose in the second half of 1970 are not expected to repeat this year and there has been some drop in home sales.

Profits in Caçada continue at a satisfactory level; the reduction arises mainly from the inclusion in 1970 of surpluses on redemption of debentures.

**MOLASSES, ALCOLOL AND LIQUID COMMODITY TRADING**

Mention has been made of the loss in Argentina; elsewhere long term prospects for world trading in molasses and other liquid commodities remain favourable although in the current year there has been some pressure on margins, due mainly to declining freight rates.

**SHIPPING**

The current year's figures include certain surpluses arising from the sale of two ships as part of the replacement programme.

Excluding these surpluses the trading profit for the year, because of the current low level of freight rates, is expected to fall by about £500,000. This figure would be greater but for the continuance of certain long term charters at high rates, from which benefit will also be felt in 1972.

**ENGINEERING AND MISCELLANEOUS**

Jamaican results have again been very poor. Excluding the profit from the sale of a U.K. lease, it is expected that there will only be a small improvement on the major loss of £1,000,000 last year. Even a good crop cannot be profitable on existing prices. It is vital to the Jamaican industry that a substantial increase in Commonwealth Negotiated Price be agreed at the review due to be made this autumn; it must not be thought that the industry can afford to wait the higher prices expected on entry to the EEC.

A good profit has been made this year in South Africa by Illovo but due to the two year crop cycle, this is not expected to be repeated in their financial year ending April, 1972. However, profitable sales of land not essential to production are being made which will assist in reducing their heavy borrowed position.

The Zambia Sugar Company has had an excellent year. Agreement in principle has been reached with the Zambian Government for the purchase by them of a controlling interest which would result in a reduction in Tate & Lyle's holding to about 45%. The figures in the statement assume that control will not pass before the end of September.

**ACQUISITIONS**

As recently announced, over 90% of each class of capital of Tbc Molasses Company, Limited has been acquired and the Company is obtaining the remainder under Section 208 of the Companies Act 1948; £446,750 ordinary stock will be issued in consideration for the total acquisition.

Following the successful completion of the negotiations with the Government of Jamaica for the sale of The West Indies Sugar Company's land, offer documents will be despatched shortly for the acquisition of the minority interests in that company. A total of £210,581 ordinary stock will be issued should all the minority holders accept the offer.

Full acceptances of these offers will bring the issued ordinary capital of the Company to £42,297,864.

The close company provisions of the Finance Act 1963 do not apply to the Company.

**PRODUCTION OF RAW SUGAR**

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**ASSOCIATES DEALS**

Acquisition of Tbc Molasses House acquired another 100,000 shares in Cunard yesterday. Trafalgar now estimates that, with its own holdings and those of friends and associates, it can count on some 35 per cent of the Cunard share capital.

# INTERNATIONAL COMPANY NEWS + OVERSEAS MARKETS

## Lufthansa warns of no pay-out for 1971

**LUFTHANSA.** the German airline said today it will probably be unable to pay a dividend on its ordinary capital for 1970.

The company has declared an increased 1970 dividend of 4 per cent on its ordinary capital as well as the guaranteed 5 per cent dividend on its preference shares.

Supervisory board chairman Hermann J. Abe told the annual meeting, which remains an open question whether the company will be able to distribute the 3 per cent dividend on the preference shares in this year.

A spokesman for the company explained that as the preference shares are cumulative, shareholders will have a right to a 10 per cent dividend on them for 1972 if Lufthansa is unable to make the distribution for this year.

Lufthansa's basic capital of M100m. comprises 333,000 worth ordinary shares and 45m. worth preference shares.

The board reported that the company is having to carry heavy debts this year.

It expects to make a loss of about DM50m. on the North Atlantic route. The strike by staff, the glo-slow by air traffic controllers and the floating

of the mark are expected to add a further cost load of about DM80m. For 1970 Lufthansa recorded a net profit of DM12.9m. against Reuter

### Gelsenberg invests more

By Christopher Lorenz

FRANKFURT, July 22. GELSENBERG, West German steel concern, intends to invest over DM300m. this year, compared with DM284m. In 1970, the chairman told to-day's annual general meeting.

Dr Walter Cipa said Gelsenberg would have to invest similar amounts in future years in order to complete the reorganisation of the group and strengthen its income and market position.

He confirmed that the concern would only be able to fulfil these investment requirements if cost inflation did not continue and economic policy did not reduce still further the company's self financing capability.

The meeting was given a well founded assurance that the 1971 dividend would not be below last year's 8 per cent.

### KLOECKNER-WERKE

By Christopher Lorenz

External turnover of Kloeckner-Werke, the West German steel concern, was 9 per cent lower in the first nine months of the current year than in the same period in 1969-70, according to a shareholder's letter received to-day.

In 1969-70 the concern made sales of DM2.34tn. and a net profit of DM40m. The year ends on September 30.

The fall is due to a 12.8 per cent drop in crude iron and steel sales, offset only in part by a 2.2 per cent rise in receipts from processed products. Rolled steel production fell by 12.6 per cent.

Kloeckner-Werke is worried about falling export prices, and predicts that in view of market weaknesses and continually rising costs the year's results will be not inconsiderably below those of last year.

Reuter

have obtained from the U.S. Export-Import Bank a \$4.3m. loan for two factory projects under a co-operation pact between the Dutch and West German firms. Loan will finance half the cost of U.S. equipment and services for building a tinplate mill at the Hoesch site in Dortmund and expanding Hooven's steel works at IJmuiden, Holland.

### North America

STANDARD OIL OF NEW JERSEY said its crude oil production rose 5 per cent in the first six months this year while natural gas sales were 12 per cent higher than a year earlier.

• MOTOROLA second quarter net earnings rose to \$7.9m. (equal to 99c. per share) from \$7.1m. (\$83c.) on increased sales of \$219m. (\$50m.).

• DICTAPHONE CORP net profit fell to \$19.000 (8c. a share) in the second quarter from \$47.000 (1.1c.) on slightly lower sales of \$33.47m. (24c.m.).

• AMERICAN CYANAMID cautiously optimistic about the second half, reported first half 1971 net profit declined to 99c. a share from \$1.06.

• CELANESE CORPORATION second quarter net profit dropped to \$18.5m. (\$1.07 a share) from \$16.5m. (\$1.18) in the same 1970 period. Increased sales of \$37m. (\$280m.).

• BORG-WARNER CORPORA-

TION announces second quarter net earnings \$12.349.000, or 64c. a share, compared with \$11.257.000 or 58c. a year earlier. Sales rose again by 10 per cent, up from \$289.548.000.

• BACCOCK AND WILCOX said new orders in first half totalled \$438.5m. and backlog at June 30 stood at \$2.008.m., compared with \$2.039.m. at beginning of year. Company predicted total 1971 net will be considerably higher than that for 1970, after reporting first-half net of 95 cents, against 92 cents.

• ARVIN INDUSTRIES agreed to develop with Engelhardt Materials and Chemicals hardware for automotive emission control systems. Arvin, which produces about two-thirds of supplier systems for U.S. built motor vehicles, said agreement is non-exclusive and continues previous working relationship. Engelhardt recently announced arrangement with Ford Motor to supply its PTX platinum catalyst for Ford's emission control requirements for 1974 model cars and light trucks to be sold in California.

• OTHERS

GENERAL GUARANTOR CORPORATION net profit \$11.333.543 (\$9.467.832) for June 30, after tax of \$10.133.700 (\$8.711.125). Final dividend 7.5 per cent (same), making 15 per cent (same) for the year, payable September 16. Dividend payable to principal shareholder.

on new shares issued in December, 1970.

• TOYO BEARING MANUFACTURING plans to set up subsidiary in West Germany next year, capitalised at \$1m. Unit in which Toyo's current German sales agent hopes to take interest, will build plant in Dusseldorf, producing 1m. bearing a month.

• BORG-WARNER AUSTRALIA interim dividend 5 per cent (same) for six months to June 30. Consolidated net profit rose to \$1.000.000. The 1970 profit has been adjusted for additional tax required from 1971 Federal Budget. Despite some economic uncertainty level of present business indicates unless these are exceptional circumstances, earnings for this financial year will show improvement over earnings for 1970.

• ARVIN CYANAMID, cautiously optimistic about the second half, reported first half 1971 net profit declined to 99c. a share from \$1.06.

• CELANESE CORPORATION second quarter net profit dropped to \$18.5m. (\$1.07 a share) from \$16.5m. (\$1.18) in the same 1970 period. Increased sales of \$37m. (\$280m.).

• BORG-WARNER CORPORA-

### French plane makers to merge

PARIS, July 22.

MARCEL DASSAULT, builders of the Mirage jet fighter, plans to merge with Breguet Aviation to become the country's second largest plane maker, Dassault sources said here today.

The merger was approved yesterday by the Boards of the two firms on the basis of 23 Breguet shares for five of Dassault.

The merger is a legal formalism,

since Dassault already holds more than 62 per cent of Breguet capital, but the move will enable Dassault shares to be quoted on the Paris Stock Exchange and make it easier for the company to raise capital to launch a production series of their Mercure short-haul airliner.

The new group, to be called the Marcel Dassault-Breguet Aviation Company, employs some 12,000 people.

It will be second in size to the giant Aerospatiale company, joint makers of the Concorde aircraft with the British Aircraft Corporation.

Breguet builds the Jaguar strike jet plane, in co-operation with the British Aircraft Corporation, as well as several other jointly developed aircraft.

Reuter

### Du Pont plans new dye plant

By Our International Company News Staff

DU PONT Company announced yesterday plans to purchase land in Puerto Rico for possible development as the site of a dye manufacturing facility. No site has been selected, although several are being evaluated and a decision is expected within a month, said a company release.

If construction is authorised, the new plant could be in operation in late 1974.

At present Du Pont's dye production is concentrated at the company's Chamber Works, at Deepwater, NJ, where production will continue, since only a portion of Du Pont line of dyes would be produced at the Puerto Rican facility.

Dye intermediates will continue to be manufactured at Chamber Works.

### Hapag cuts Atlantic sailings

By Christopher Lorenz

FRANKFURT, July 22.

HAPAG LLOYD, the West German shipping line, is to make only three scheduled transatlantic round trips next year because the Europe to America section of the round trip has become unprofitable.

Its two liners Breman and Europa will together make a total of 16 scheduled transatlantic round trips this year. It is indicative of the rundown in scheduled transatlantic liner services that in 1966 the two liners ran a joint total of 39 scheduled round trips.

Both liners are to be transferred almost exclusively to cruising, with the Breman to be based in New York and going mainly to the Caribbean, and the Europa covering European waters from Hamburg and Kiel.

Reuter

### GF profit drop

By Nicholas Colchester

NEW YORK, July 22.

GENERAL FOODS to-day reported profits for its first quarter to July 3 of \$26.0m. or 54 cents a share, compared with 29.9m. 53 cents a share, in the same period in the previous fiscal year.

Despite the profit shortfall the company's chairman, Mr. C. W. Cook, said that the results for the quarter had been on target. Looking ahead he predicted that GF's performance over the rest of the year would be better than last year in terms of both sales and earnings.

Reuter

### No less profit for Mears

PRE-TAX profit of Mears Brothers (Holdings), civil engineers, building and dredging contractors, for the year to September 30, 1970, should be much the same as in the first half of 1970-71 when pre-tax earnings totalled £1.63m.

At the same time, the group is well placed to take advantage of a general surge forward of demand as a result of the latest Government measures.

The anticipated profit picture was given yesterday by Mr. Alex Page, the chairman, at the annual meeting. He pointed out that last year's first half was a "very good year" and that the second half of 1970-71, when pre-tax earnings totalled £1.63m.

He anticipated that the group's trading in the current year would be "not very much better" than in the previous year, due mainly to the absence of certain contracts in Argentina.

In the same period, production in Jamaica results have again been very poor. Excluding the profit from the sale of a U.K. lease, it is expected that there will only be a small improvement on the major loss of last year. Even a good crop cannot be profitable on existing prices.

As for the Common Market, Mr. Page said that from the point of view of Mears' business both in shareholding and employees alike, I believe this would be to our advantage."

Reuter

### Principality Bldg. assets growth

Mr. L. Boyle, general manager of the Cardiff-based Principality Building Society, reports that its assets have climbed to the record level of £42.952.825.

Investment receipts for the half-year ended June 30 increased by £2.75m. to £27.000, while the withdrawal of £1.132.520 (£1.132.520) was slightly above that for the first six months of last year. Net investments were £2.645.000, an increase of 38 per cent.

The society has so far this year advanced £3.467.949 on new mortgages, compared with £3.032.207 in the first six months of last year.

Commitments stand at £1.62m. and Mr. Boyle expects advances for the latter half to exceed those for the first.

In May the company reported that during the year arrangements were made whereby groups of tourists were flown to the Isle of Man with the idea of improving revenue at the company's casino. An agent was employed for the purpose and legal proceedings had been started against the agent to recover a "very substantial amount". The company has written off £162,702.

The "rebel" shareholders will be meeting at 3 pm at the Howstrake Hotel, Isle of Man.

Reuter

### Palace & Derby "rebels" to meet

A group of shareholders in Palace and Derby Castle, the manor of Alan entertainment group which owns the £1.25m. Palace, will be entitled to a 10 per cent of the capital, which will press for more information on the situation which led up to the loss.

It is vital to the Jamaican industry that a substantial increase in Commonwealth Net Listed Price is made available by the review date. "It must not be thought that the industry can afford to await the higher prices expected on entry to the EEC," the directors stress.

Reuter

### FALKLAND ISLANDS

At the annual meeting of the Falkland Islands Company, chairman Mr. M. C. Waldron reported that the group had sold \$35.891 kilos of the current season's clip at an average of \$1.19 per kilo.

"This represents two-thirds of our clip," he added.

The ship stores group maintained both turnover and profitability so far this year. "I am hopeful that we shall again achieve the 1970 profit level," stated Mr. Waldron.

Reuter

### CAFFYNS WELL AHEAD

Profit for the first three months

months of its current year was well above that earned in the

1969-70 year.

Reuter

### SECOND SCOTTISH INVESTMENT TRUST—July 10, 1971

£1.362.000 before tax interest £184.900 Expenses £53.000

£1.200.000 after tax interest £166.000

£1.000.000 full investment

£121.245.900 Net asset value 51.920.

Thomas Tilling—Farnham—subsidiary to be changed from September 30 to October 1, 1971 to coincide with Tilling's report which will cover nine months to June 1971, will be issued in October following publication of the Tilling interim report.

ENGLISH ASSOCIATION OF AMERICA AND SHARE HOLDERS—Interim 31st July—1971 (same)—£2.123 per cent. Gross profit £1.074.000 (£1.074.000). After interest and dividends £1.024.000 (£1.024.000). Net profit £50.000 (£50.000).

£1.000.000 full investment

£1.024.000 (£1.024.000)

£1.000.000 before tax interest £175.000 (£175.000)

£1.000.000 after tax interest £157.000 (£157.000)

£1.000.000 full investment

£1.024.000 (£1.024.000)

£1.000.000 before tax interest £157.000 (£157.000)

£1.000.000 after tax interest £147.000 (£147.000)

£1.000.000 full investment

£1.024.000 (£1.024.000)

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# Consortium formed for Foulness dredging

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A CONSORTIUM has been formed to bid for the dredging work involved in the creation of the projected third major airport for London at Foulness, Essex. Its members are the Costain Group, Taylor Woodrow International and the Anglo-Dutch Dredging Company.

A statement on behalf of the consortium yesterday said that member-companies had sufficient reserves of capacity to be able to meet with the Foulness operation and with their other day-to-day activities.

The Costain Group, through Coble (Costain-Blakemore International Dredging Company), has been engaged in dredging and reclamation work on a world-wide basis for more than 20 years, and it recently completed a "mini-Foulness"-type operation in the Seychelles, where 250 acres were

reclaimed from the sea for the construction of an international airport.

With the total estimated development cost of the Foulness Airport and its associated industrial and other projects (such as a possible seaport) set at more than £400m, over the next 10 to 20 years, many companies in British industry have already set their sights on winning a share of the work involved.

## Orders sought

Already two major consortia of industrial companies have been formed to bid for rights to undertake the project—the Thames Aeroport Group and the Thames Estuary Development Company.

In addition, it was recently announced that another con-

sortium of Belgian and Dutch dredging companies had been formed in a bid to get orders for a slice of the substantial reclamation work that the Foulness programme eventually will involve.

The British subsidiaries and associates of this Belgian-Dutch consortium include Westminster Dredging Company, HAM Dredging, Harbour and General Works and Nash Dredging and Reclamation.

"Now that Scotland has all the necessary facilities for a modern exchange," the Duke said, "I have no doubt that the members will put them to the most profitable use, both for themselves and their customers, as well as for the commerce and industry they serve."

The Stock Exchange, he added, housed "one of the absolutely essential elements in our whole industrial and commercial system. England may have been a nation of shopkeepers; but as soon as Scotland discovered the advantages of Stock Exchanges, people demonstrated that in this, as in so many other markets, their natural shrewdness and good business sense could hold their own with all comers."

Trading at the Exchange began in April, when the reconstruction of the 127-year-old building was completed. The Exchange, which now combines all local exchanges in Scotland, has 192 members operating from 33 stockbroking firms. Last year's turnover was £450m. Before the opening ceremony.

This week's issue also includes a comprehensive survey of the economic and market implications of Mr. Anthony Barber's referendum package.

**Wanted—1m. 5p gifts for Albert Hall**

Financial Times Reporter

MOST of the financial troubles of the Royal Albert Hall would disappear if each of the 1m. visitors a year could be persuaded to donate 1s.—5p to you." Sir Louis Gluckstein, the president, said yesterday.

He told the annual meeting in London that £235,000 had been collected so far and promised towards the public appeal for £500,000 to renovate the Hall.

The collection was "encouraging, but would certainly not justify any complacency," Sir Louis commented. He gave special comment to "the generous support received from the Royal Family, from the Bernard Stanley Trustees" who gave us a magnificent £100,000," from the Greater London Council, Historic Buildings Council, and from the Pilgrim and Max Rayne Trusts.

Promotional season last year was successful. A number of major projects to raise money were under consideration, but Sir Louis thought the Hall would have to look to the generosity of smaller donors.

**World ship order book up by 361**

WITH THE current recession in shipping rates, and while some ships are being laid up, the world's shipbuilding industry recently at least, has continued to order new vessels at a high rate.

During the 12 months to the end of June, the world order book (excluding the USSR and China) for merchant ships of 2,000 d.w.t. and above increased by 361 ships, aggregating more than 32.5m. d.w.t. according to statistics in the quarterly survey Ships on Order, published by the marine journal.

The Motor Ship.

It points out that exports account for nearly 40 per cent of the group's total sales and that trade prospects with the Common Market look brighter than with Commonwealth countries where "prohibitive tariffs" exist. Enlargement of the Community would give the company a domestic market of 250m. people.

Mr. Neill sums up: "We do not think that all the group's manufacturers' interests would benefit alike from Britain's membership of the Common Market; indeed, some may suffer. But overall we see expansion if Britain joins and stagnation if it does not. Your employment, therefore, will be significantly more secure with Britain in the Common Market."

## Chartered surveyors back Market entry

FINANCIAL TIMES REPORTER

THE Royal Institution of Chartered Surveyors has come down in favour of Britain's entry to the Common Market.

In a statement released yesterday, the RICS anticipated substantial opportunities for surveyors believe the U.K. is more likely to export than import the services covered by surveyors.

A 200-page report—which took eight months to prepare—was presented to the last meeting of the RICS General Council, and set out the likely effects on surveyors of EEC membership.

One of the biggest problems is identifying and defining the equivalent profession, say the RICS. For example, the surveyor's surveyor has no direct counterpart abroad with his functions sometimes being discharged by the architect or by the building engineer.

Further research is needed on whether the absence of statutory backing for the surveying profession will put surveyors at a disadvantage in relation to their Continental counterparts, the General Council thinks.

It fears that "there may well be disadvantages in the arena of EEC Commission and Council discussions when directives governing the professions are drafted and approved."

The annual conference of RICS held last week was given over almost entirely to discussion of the Common Market.

Mr. J. Brendon George, RICS president, said the conference had

## Container transporter crane for Hull dock

BY JAMES McDONALD, SHIPPING CORRESPONDENT

HULL offers 30 specialised unit sailings every week to six countries in Europe.

With the five additional sailings from the new terminal and the prospect of more to come the port believes it is well placed to increase its present 1.65m. tons annual total of unitised cargo if Britain decides to join the Common Market.

The Hull container terminal—operated by British Transport Docks Board—can berth ships of up to 25,000 deadweight tons and has a total of 28 acres available for container marshalling. Containers of up to 40ft long and charged will be picked up and taken to the stacking areas by five straddle carriers.

Two shipping line customers have already announced that they will operate regular container services from the terminal. North Sea Ferries will run five sailings a week from the dock to Rotterdam in addition to its regular roll-on/roll-off ferry services from Hull. Its first container ship, Northern Star, came into service in October, followed by a second early next year.

Meanwhile, the terminal will be used by the weekly Hull-Rostock service of the East German Deutsche Seesereederei, whose container ship Dierberg will transfer from her temporary berth in Elizabeth Dock.

The container terminal is the eighth specialised terminal provided by the Docks Board at Hull for unit load traffic. At present,

## Ford introduces new 10-ton truck range

By Michael Blanden

FORD of Britain has introduced an improved range of D1010 trucks offering the delivery trade operator a low platform height for easier, faster loading. One feature of the "10-tonners" is 17-inch wheel and tyre equipment to give a 3-inch lower loading height and an improved body and payload allowance of almost 2 cwt. Base prices remained unchanged.

The new features have been particularly welcomed by operators engaged in the bottling industry and similar trades, for whom the improved models have been specially developed. The D1010 is available on a 130- or 156-inch wheelbase chassis.

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TIPTON, STAFFS.

Civil Engineering Contractors and Manufacturers

Points from Chairman's Statement

- Turnover increased but considerably higher costs could not be fully offset by raising prices and improved productivity.
- Pre-tax profits were £241,401 (£285,253); total dividend maintained at 16%.
- In the Contracting Division the return on mainlaying work available has again been unsatisfactory; other civil engineering work has been more rewarding.
- The Manufacturing Division has been reasonably busy but increasing costs badly eroded margins.
- Most sections have satisfactory order books and the new year has got off to a flying start. Indications are that 1971-72 should show an improvement.

## CAFFYNS LTD.

Motor Agents &amp; Engineers

The 62nd Annual General Meeting was held on 22nd July 1971 at Eastbourne. In the Chairman's Statement, circulated in advance, it was stated that the turnover (£15,360,532) was a record and that the profit before tax (£492,867) had increased by 46%.

In order to bring the capital structure of the Company more into line with the capital employed in the business it is proposed to issue one Ordinary Share of 25p. for each Ordinary Share held and to consolidate every two 25p. shares into one 50p. share.

At the meeting the Chairman stated that the profit for the first three months of the current year was well above that earned in the corresponding period in 1970.

The report was adopted and a total dividend of 21% (20%) approved.

## Duke officially opens new Scottish SE

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, July 22.

THE NEW SCOTTISH Stock Exchange, which for the past three months has enabled all Scottish trading to be carried out on a single "floor," was officially opened by the Duke of Edinburgh here today.

The British subsidiaries and associates of this Belgian-Dutch consortium include Westminster Dredging Company, HAM Dredging, Harbour and General Works and Nash Dredging and Reclamation.

the Duke met Sir Isidore Walton, chairman of the Scottish Metropolitan Property Company, which was responsible for the development, and Mr. A. Dickson Moore, chairman of the Stock Exchange. The Duke also visited Glasgow police headquarters.

It was announced in January that Mr. Iden will become chairman and managing director of John Player and Sons on the same date.

Mr. G. A. Iden, joint assistant managing director of John Player and Sons, has been appointed to the Board of IMPERIAL TOBACCO GROUP from September.

It was announced in January that Mr. Iden will become chairman and managing director of John Player and Sons on the same date.

Following the acquisition of 43 per cent of Metropolitan Railway Country Estates shares by Guardian Royal Exchange Assurance, the Board of MRCE has been reconstituted and all directors having resigned with the exception of Mr. W. M. Balch and Mr. C. S. Piper.

The new board is: Mr. F. J. H. Bracker (chairman), Mr. Piper (managing director), Mr. Balch, Mr. E. F. Bigland and Mr. E. P. Green.

White will continue as managing director and Mr. McFall as an executive director of the company.

Mr. Thomas Cadick has been appointed joint managing director of Fibreglass Limited, a group company.

Mr. Alan Heath takes over the chairmanship from Sir Alastair P. Heath who was recently appointed deputy chairman of the group.

Mr. D. J. Wilson, the solicitor to the Board of CUSTOMS AND EXCISE, will be retiring from the public service on October 31. He will be succeeded by his present principal assistant solicitor, Mr. G. Krikloro.

Mr. Peter Yorke has resigned from the Board of ADVANCE LAUNDRIES because of his impending retirement.

Mr. O. F. Sebastis has been elected president of TEXACO PRODUCTION SERVICES.

Mr. C. F. Williams, who is managing director of Shipton Associates and Financial Advisory Services, has also been appointed managing director of SHIPTON INSURANCE SERVICES AND KIRK SHIPTON AND POTTER.

Mr. J. K. Shipton has been elected chairman of these two companies.

Mr. Erik Wilkinson, a member of the Board of UNIVERSAL PRINTERS, has been appointed managing director of the newly-formed cartoon division. This division consists of Alf Cooke and Norbury Printers.

Mr. F. J. Bradbury has been appointed managing director of THOR TOOLS, a U.K. subsidiary of Thor Power Tool Company of the U.S., members of the Stewart-Warner Corporation.

Mr. Bradbury will direct the manufacture and marketing throughout Great Britain of all Thor power products. He succeeds Mr. Irving Danielsen, who has been made general manager of Thor Power of the World.

"This is an attempt to get as near as possible to running the Cargo Division as a company," Captain James said this week. "I am trying to introduce the procedures and disciplines that go with putting the Division on a company basis."

The various Divisions (in BEA) will be set up to concentrate management on particular parts of BEA's business. As chairman of BEA Helicopters, I have seen the results that come from establishing a relationship between the main BEA Board and a subsidiary company through a subsidiary Board, so that is what I am bringing to Cargo. It is a good way to do business."

## Roads chief wants BR to stop ad. campaign

BY ARTHUR SMITH

SIR GEORGE MIDDLETON, chief executive of the British Industry Roads Campaign, yesterday urged Mr. John Peyton, Minister for Transport, Industries, to halt British Rail advertising which claims that a stretch of motorway costs nearly 100 times as much to build as a similar stretch of railway.

Speaking at Southampton, he said it would be quite improper for a nationalised industry to mount a campaign of that kind against a declared Government policy.

He hoped the "knocking" by BR would be called off. If necessary, the Minister for Transport Industries should step in and put an end to the advertisements.

The railways still bad accounts, pointing out that some freight could not be carried economically by road. "Therefore, road hauliers could not carry adequately for journeys to work in big cities. Nevertheless, 90 per cent of all freight tonnage and passenger movement was now carried by road," Sir George agreed.

A BR spokesman commented: "It is quite ridiculous to suggest that we are using national advertising to knock road building to embarrass the Government into giving us more money."

## Ulster grants for 'new job' families

By Our Own Correspondent

BELFAST, July 22.

MR. ROY BRADFORD, Northern Ireland Minister of Development, to-day announced a Government grants scheme to encourage people to move to Belfast.

Under the scheme £100 grants would be paid to households agreeing to move. A further £50 would be paid where the household moved into a new subsidy house in the receiving area.

The Minister, speaking at the opening of a advice centre for social workers, said: "Unemployment was at an all-time high in Belfast, and there was a great need for more houses."

The aim was to encourage the building-up of population in those towns in order to provide new jobs.

## Bankruptcy discharge for metal dealings man

BY JAMES McDONALD, SHIPPING CORRESPONDENT

DEBTS of Dr. Tevhit Camoglu "come to the startling total of £1,15m." says Mr. Registrar Hunt at London Bankruptcy Court yesterday.

The liabilities had resulted from Dr. Camoglu's activities on the Metal Exchange, said the Registrar.

If Dr. Camoglu had been able to continue his operations on the Exchange, he might have emerged in a few years' time as a rich man. But a dispute arose with a broker and his activities were stopped.

But he granted Turkish-born Dr. Camoglu an immediate discharge from his 1965 bankruptcy on condition that he submitted to judgment for £1,000 payable by instalments. Prolonging the bankruptcy would not affect the dividend to creditors.

Referring to Dr. Camoglu's activities on the Metal Exchange, the Registrar said it appeared that the rules of the Exchange required brokers to obtain 10 per cent deposits on contracts. That did not appear to have been observed.

Mr. G. H. Whitehill, of London, W.9, member of the London Stock Exchange, left £80,884 gross (duty £40,179).

Captain E. Littledale, of Pluckley, Kent, retired manager of Iraq Petroleum Company, left £74,983 gross (duty £32,563).

Lady J. V. Lascelles, of Kensington Palace, London, W.8, private secretary to King George VI from 1943 to 1952 and to the Queen from 1952 to 1953, left £45,898 gross (duty £12,433).

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Lady J. V.

# The Property Market

BY MICHAEL O'HALLORAN

## Office plan revealed by Southwark

SOUTHWARK has at last produced its draft strategy plan for the London Bridge area and Thames-side—document which the property world has awaited with no small interest. The kernel of the plan is a proposal for a net office increase of 5.5m square feet at a plot ratio not exceeding 1:1. Office development outside of the strategic area will be restricted to third schedule rights, that is existing use plus 10 per cent. However, the zoning is such that joy in the Hay's Wharf camp must be matched by some consternation at Wharf Holdings.

All of Hay's Wharf is included in the Central Area "West End

and City" zoning, which permits offices and hotels. The full zone stretches in a thin belt along the river from Tower Bridge to a point just west of Blackfriars Bridge. Only the Elephant and Castle is accorded a similar status. Land to the east of Tower Bridge—which includes Wharf Holdings' property—is the most uninteresting of all. The map dismisses it as being either "primarily residential use, both comprehensive and small-scale re-development," or "existing residential areas needing general improvement."

I suppose that Wharf might fight and eventually win permission for a small office content, but any talk of major commercial redevelopment east of the bridge must now seem very optimistic. There should be no room in the development plan for new office space.

Plans such as this one certainly help to build-up some idea of the future office pattern. Incidentally, the ODP figures show that permissions for the

City of London alone totalled almost 12m square feet during 1968-1970—over 5m square feet of it representing a net increase—and this year could well show another important increase. The net increase approved for Central London during the first quarter of 1971 was over 2m square feet. All we need now is some rapport between the Government and the GLC for the approaching situation of ODP's having a dubious value because of council "planning" ideals is surely a ludicrous one.

Some suggestions about the distribution of the GLC's office allocation for 1972-1976 have been made by Tim Wacher of London Transport. He puts Hammersmith at the top of the list with 2m square feet, followed by Harrow, Hounslow, Wembley Park, Golders Green, Finchley Central, Wood Green and Stratford. Wimbledon and Ealing—the two which I would choose above most others—are also favoured.

### MEPC buying more offices

Taking scant notice of the take-over rumours which get wilder as time goes on, MEPC is

finally adding to its London office portfolio. It has just paid almost £1m. to City Commercial Properties for a group of freehold properties which include one office block in Philpott Street, E.C.1, and another in Commercial Road. The total of 50,000 square feet is all let to the Government. Considering that the blocks are fairly modern, and that there are reviews to come, the price looks interestingly low. Cyril Leonard was represented by Wright and Partners in conjunction with Roger Phillips and Co.

Knightbridge Green may not be the most popular name to mention at Edger, but it produces smiles at Chaucer Estates. The company recently bought Dictaphone's lease of 12,000 square feet on the first floor, and it has let the space to Texaco for £53,000 per annum. Agents involved were Fairbrother Ellis and Co., together with Hillier Parker May and Rowden. Thinking about Knightbridge, Capital and Counties has bought 32-44, Hans Crescent, from Harrods. This was the last piece of the jigsaw, and the company now owns in its entirety the £15m. Island site bounded by Brompton Road, Basil Street and Hans Crescent.

Wates Developments has started renovation work at 3 Copthall Buildings—a prime pitch between Throgmorton Street and London Wall. By adding another floor, the block will eventually offer 17,000 square feet of air-conditioned space, but this is not yet being marketed openly. Wates, which is acting in association with Phoenix Assurance, is advised by Jones Lang Wootton and Richard Ellis and Son.

**Grendon Securities' £4m. property deals**

THREE Central London properties and a major industrial estate are included in property deals worth about £4m. now being undertaken by Grendon Securities.

First, planning permission has been obtained for the modernisation of a 20,000 square feet block in Bishopsgate. The company also bought the freehold of M. Mohnen's former headquarters in Farringdon Road, and it intends to let the 10,000 square feet of space after modernisation.

The third acquisition involves one of the few remaining re-development sites in the Baker

The Financial Times Friday July 23 1971

should get the statistics on a borough by borough basis.

• Another decentralised rent for the market to ponder upon around £3 per square foot in Hounslow. This is the figure agreed by GAF (Gt. Britain), which is moving from SW1 into the 13,600 square feet office block in Lampton Road which Grosvenor Estate, Commercial Developments bought a year ago for modernisation. The margin must look attractive, especially as there is room for a 21,000 square feet extension. The agents, Jones Lang Wootton, are now looking for a tenant to support an ODP application.

• The same agency has also been helping to raise money for the Fisheries. Sixteen branched mostly freeholds in the London suburbs and the South—have been sold for almost £250,000. Crusader Insurance, subject to long lease-back, Herrin Dill and Manners were also involved.

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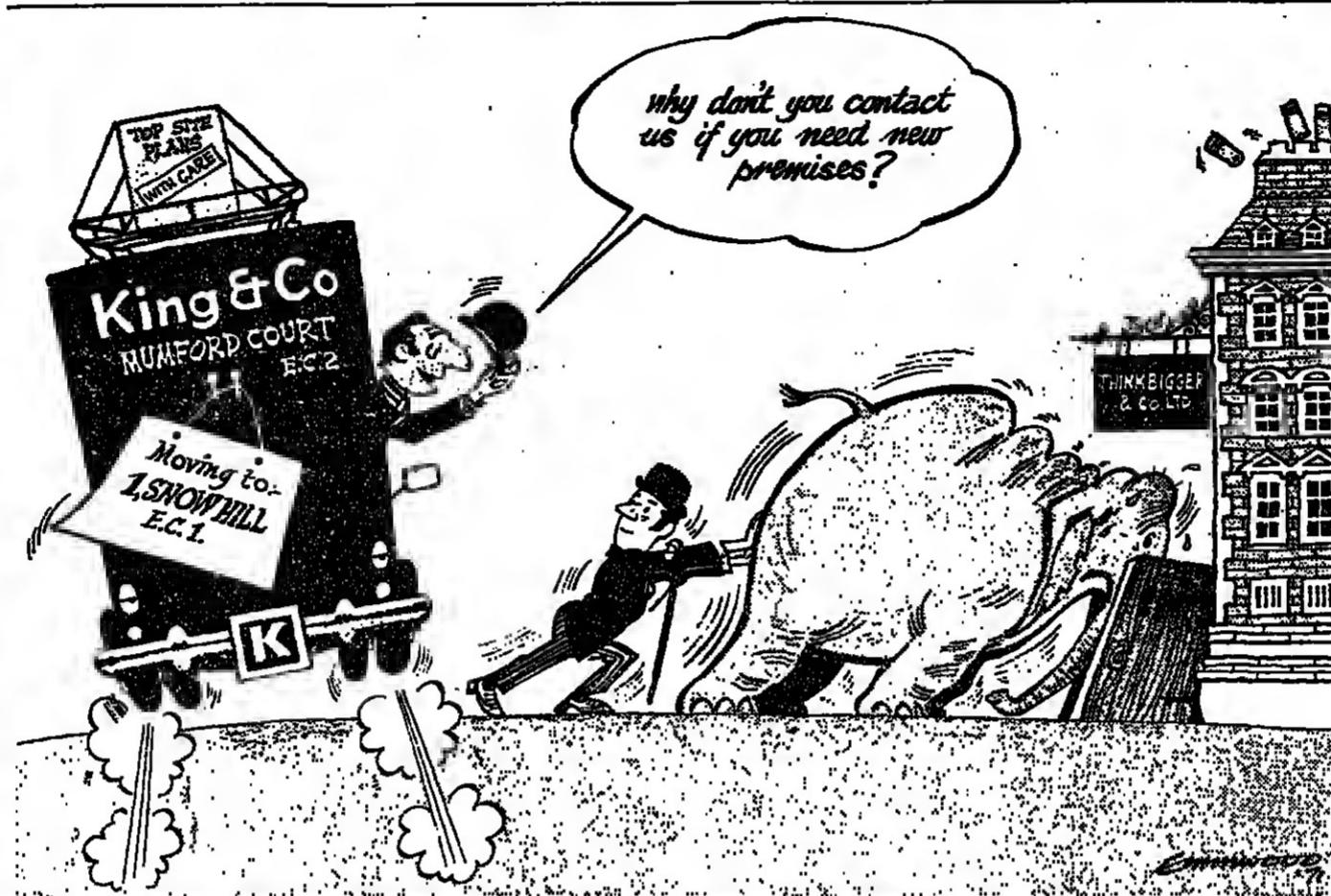
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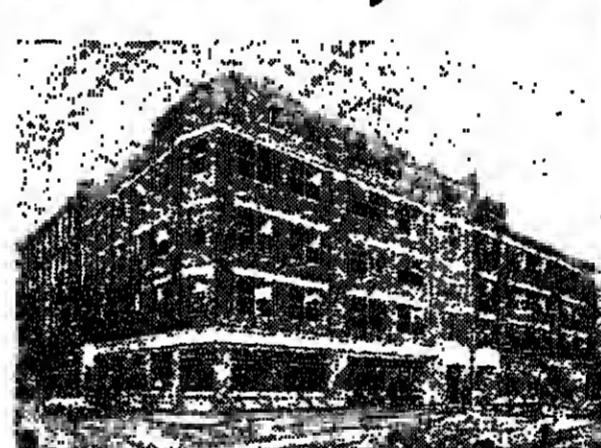


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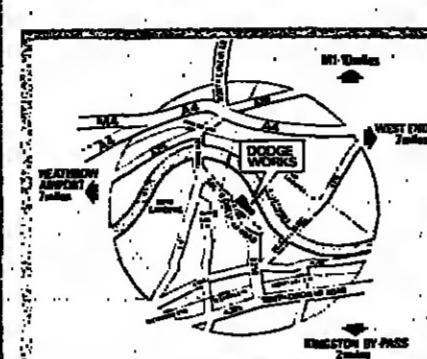
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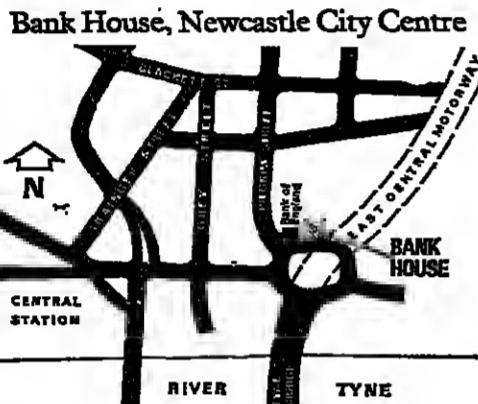
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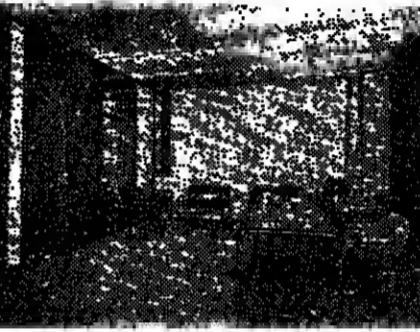
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## STOCK EXCHANGE REPORT

Equity tone much improved but rally not sustained  
Share index up 1.3 at 405.7—Tate and Lyle erratic

## ACCOUNT DEALING DATES

Opinion

First Declara- Last Account

Dealing tonus Dealings Day

July 12 July 22 July 23 Aug. 1

July 21 Aug. 5 Aug. 6 Aug. 17

Aug. 9 Aug. 19 Aug. 20 Sept. 1

"New time" dealers now Sept. 1

From 5 pm, three business days earlier.

The rally seen in equities late

on Wednesday was taken a stage

further yesterday morning, but

prices tended to drift back

towards the close. The early

buying was reported to be fairly

good investment demand, but

there was also speculative interest

and some for "new-time" which

was mainly in special situation

stocks. Although best levels were

not always held by the close the

under-tone remained firm. The

Financial Times Industrial Ordin-

ary share index, up 3 points at

140.7 on Wednesday, rose 1 point

on the day at 405.7. Yet another

index stock for a rise of 1p at

50p.

13,653 compared with 13,051 a week ago. The ratio of rises-to-falls in all FT-listed Industrials contracted slightly to about 7:4 compared with 2:1 on Thursday.

British Funds became a much quieter and steadier market after the previous day's fluctuations. Interest in the mediums and longs was mainly public and, after a fair amount of two-way business, prices closed with a few scattered gains ranging from 1 to 10 p. In the shorts, most of the activity took place in the old "tap" stock Exchequer 61 per cent. 1876, which picked up 3 to 9s; after that, the smaller Corporations made a mixed showing, while continued demand in a market short of stock left Southern Rhodesians 2 points higher.

Interest improved in the investment dollar market and, with buyers particularly active, the premium rose 2 to 23 per cent, after 24 p. earlier.

Financial Times Industrial Corpora-

tions share index, up 3 points at

140.7 on Wednesday, rose 1 point

on the day at 405.7. Yet another

index stock for a rise of 1p at

50p.

In New Issues, NSS Newsagents

were notable for a rise of 1p at

50p.

Banks above worst

Heavy dealing again took place in Home Banks, further profit-taking causing a fresh retreat, but prices closed up or so above the day's worth with net losses extending to 14p. In front of today's interim results, Midland ended 14p down at 51p, after 10p, and Lloyds 6p easier at 54p, after 5p. National and Scottish, however, closed 1p higher at 146p and 145p, respectively.

The Bank of England's new Dis-

count market rules had no apparent effect on Discount House shares. Singer and Friedlander rose 8p to 229p, and Great Western 10p to 218p.

Hires' purchases

closed a little easier after a quiet day's trade. Insurances were quietly mixed, but there was good buying of selective Lloyds brokers. Stimulated by favourable Press comment, Minet Holdings moved ahead 20p to 385p, C. T. Bowring rose 1p to a new 1871 "high" of 462p.

Yards, up 13p at 360p, on the provided the only feature in a quiet day's trade.

Truman Hanbury held at 41p

and Grand Metropolitan Holes gained 2p at 104p. Watney Mann

closed unaltered at 116p, but D.V. improved 1p to 74p.

Building issues generally made further headway. Marchwiel rose 6p to 249p, while Redland, 10p, and Marley, 102p, both put on 2p apiece. Phoenix Timber continued to move with demand following the property revaluation and closed 4p better at 63p, while gains of 5p were seen in Tarmac Cement "B" 179p, and A. Gurne, 132p. Easier before the interim statement, Leyland Paint rallied after the news to close unchanged on the day at 53p.

Following the lower interim

results made a mixed showing,

while continued demand in a market short of stock left Southern Rhodesians 2 points higher.

Buying in a thin market helped British Lion improve 7p more to 68p, while Trident TV "A" ended 4p better at 58p. Granada "A," however, reacted 8p to 380p.

BSR advance

In generally firm Electricals, BSR were prominent and advanced 22p to a new peak for the year of 375p on good demand in market zone-to-well supplied with stock.

Good solid day's trading left GEC 4p higher at 150p, then declined to 115p, but then destined to 110p, before finishing unaltered on the day at 112p on nervous trading ahead of the results.

Thoro touched a new 1971 "high" of 385p and then came back to 380p in front of the after-hour results of the road to 100p. The shares improved to 383p, up 2p on the day. AB Electronic appreciated 5p to 52p and Dorman Smith "A" 10p to 145p, while Electronic Machine closed 4p better at 52p. Minibear, however, fell 4p to 51p.

Stores staged a mild recovery, with rises of around 3p seen in Marks and Spencer, 448p, and Gault Drapery, 141p. On the bid front, House of Fraser picked up 21p, while W. D. Dixons were 2p better. T. Symons' 157p, followed by Collett improved 3p to 60p on the news of the acquisition of a near 15 per cent. stake in the company by Mr. Ronald Lyon, Trulux, 104p, and W. H. Smith 520p, had gains of 7p and 5p respectively. Also firm were A. and S. Henry, up 5p at 50p, Court Bros. A, 6p higher at 186p and Bentalls, 3p to the good

at 51p. Among isolated dull spots, Maple were 4p easier at 109p, and Bensons Rosier 1p lower at 30p, after 27p.

Metal Box weak

Marked weakness developed in Metal Box, down 15p at 335p, before and after the chairman's statement at yesterday's annual meeting. Other leading Engineers also became unsettled, tube makers being 10p up at 45p.

Elsewhere, Elmdene were marked up 60p to 277p in front of the bid from Wellman, slightly cheaper at 41p. Trading results helped Cooper Industries, 26p, both up 2p, but on further profit-taking Mitchell Somes were 2p lower at 20p. Other dull features included Longmorn 6p, 150p, which improved 20p and 15p respectively. Profit-taking lowered Charles Roberts up 25p. Machine Tools had firm spots in Jimes and Shipman, 50p better at 100p, and E. G. Herbert, 4p higher at 41p.

ICI in a reasonable day's business, closed 2p higher at 311p, after 314p.

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## FINANCIAL TIMES STOCK INDICES

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21
Government Secs	74.89	74.87	74.85	74.83	74.82	74.81	74.80	74.79	74.78
First Intervent.	74.52	74.51	74.50	74.49	74.48	74.47	74.46	74.45	74.44
Industrial Ordinary	406.7	404.5	402.4	400.2	398.2	396.2	394.2	392.2	390.2
Gold Mines	53.0	53.2	53.5	52.6	52.5	52.4	52.3	52.2	52.1
Overseas Distillers	5.90	5.88	5.87	5.85	5.84	5.83	5.82	5.81	5.80
Overseas Fins.	16.96	17.01	17.23	17.23	17.23	17.23	17.23	17.23	17.23
P.E. Ratio (x)	16.96	17.01	17.23	17.23	17.23	17.23	17.23	17.23	17.23
Debtors Market	13.656	14.022	15.405	16.617	17.42	18.01	18.51	19.01</	





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## Lombard

Size of  
a market-  
fact and  
fantasy

BY C. GORDON TETHER

ONE of the biggest difficulties the pro-Market crusade experiences in making its gospel sound convincing is that all too often its efforts to play down the disadvantages of entry provide just the ammunition the opposition needs to help shout down the arguments for going in. And nowhere is this more true than when it endeavours to show that there is nothing less inward-looking than the EEC and thereby reinforces the anti-Market contention that the resulting enlargement of our market will be of tiny little real significance to us all in paying such a high price for it.

It is a fundamental part of the Government's case for taking Britain into the EEC that, unless we assure ourselves of a very much larger market by joining up with some other grouping, we are doomed to a continuance of the economic decline we have experienced in relation to other countries.

**"Exclusion"**

The more emotionally involved supporters of its cause are even wont to speak darkly of a decision not to go in as condemning us to an "exclusion from the EEC" that would have dire consequences for our trade because, having nowhere else to turn, we would be left in drift alone and friendless for all eternity in a kind of international economic wilderness.

But would it really be as bad as that? And how do you square the picture of a country facing enforced isolation with Whitehall's long-standing theme that the whole world is the British exporter's "oyster"—the wide-spread progressive dismantling of tariffs, quota restrictions and exchange controls having effectively given him an almost universal market?

As in the first point, the Government's efforts to demonstrate just how outward-looking the EEC is, clearly show that, far from being excluded from this market, Britain and other countries are doing so well in it that they can already look upon it as very much a part of their own. The White Paper drew attention to the dramatic increase in British exports to the Community in recent years. And in his speech to the American Bar conference this week Mr. Heath pointed out that U.S. sales there had trebled within 12 years.

**Real issue**

The real issue before us, therefore, is whether the elimination of the relatively modest tariffs and non-tariff barriers that still impede traffic between Britain and the EEC would provide a significant further enlargement of the existing market we already possess there to warrant paying the price—the substantial entrance fee and the increased difficulty of marketing our goods in other parts of the world.

And in this connection it is pertinent to point out that the rise in the prices of British exports during the past 12 months alone has, on average, increased their cost to EEC buyers in greater degree than the complete elimination at one stroke of present tariffs would reduce it.

As to the apparent conflict between earlier talk of the world being wide open to the British exporter and current efforts to show that we must find a larger market base as the only answer to our growth problem, one thing is clear: it is that the net liberalisation of British trade policy, now moving into the EEC would be very small beer indeed by comparison with that which has resulted during the past ten to 20 years from the extensive dismantling of tariffs, quota restrictions, exchange controls and other non-tariff barriers that has been taking place on a world-wide scale.

Continued from Page 1

## THE LEX COLUMN

## Thorn's caution strictly relative

Thorn's second half slowdown is nothing to speak of with an 18 per cent. gain to £22.1m. pre-tax leaving the year ahead by just under a fifth at £37.2m. In fact, this is a strong performance, given the buoyant conditions in second half 1969-70 and the recent slowdown at Metal Industries in line with the engineering cycle; and it is fairly easy to pick out one area of major acceleration—colour TV—from the depreciation charge, incorporating first and second half rises of 20 and 37 per cent respectively.

See also page 21

**Tate & Lyle**

Tate and Lyle's forecast for the year to September—profits up from £9.16m. to £11.11m about inflation will probably be

that Next year, South African profits will be lower, control in Zambia has passed over to the Government, and there is still no time-scale on loss elimination elsewhere. After a target earnings rise of 2.1p to 10.6p per share (around 9.2p excluding the ship sales) a 1970-71 p/e of 14 at 153p does not look especially appealing.

See also page 22

**Powell Duffryn**

Tidying up the mess at Hy-Mac has proved a very expensive operation for Powell Duffryn. On top of management problems and stock write-offs the group has had to contend with a slump in the construction equipment industry, producing a total loss before interest of £1.46m. at Hy-Mac against 20.32m. in 1969-70. Thus the £1.28m. improvement in the rest of the group was more than wiped out, and though the second half was marginally better at the pre-tax level, the year as a whole shows £3.84m. against £3.68m.

Yet a turnaround in raw sugar production is going to be worth £2.2m. to 1970-71 trading profits, and South Africa and Zambia account for three-quarters of the group's stodger activities

On the face of it PD ought

not to find it very hard to move ahead this time; although it is too soon to say whether Hy-Mac will make a quick return to the black (the first quarter of the year has been quiet) the 1970-71 deficit must have been on a wholly exceptional scale. There are a few problems elsewhere, as in shipping where last year's favourable conditions will not be repeated. But overall, the group's diversified interests should hold up fairly well, particularly as the economy begins to respond to the reflationary push.

Yet after the 1968-69 false dawn PD still has to prove its ability to move out of the profits rut in which it has been stuck for six years; in the circumstances the market's unenthusiastic approach—the p/e is 14.7 at 125p—is sensible. However, the two recent sales and leaseback deals, worth £7m. in cash between them, leave the group in a strong position to expand its operations. And if this cash is fed into growth areas, like Hamworthy Engineering, the influence of the

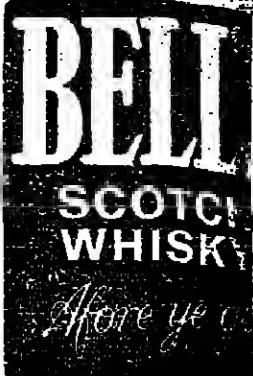
should be correspondingly reduced.

See also page 21

**George Kent**

The theory that Rank—with about 18 per cent. of the equity—is just about to pounce on George Kent took a bit of a knock earlier this week with the disclosure of serious losses at Rank Precision Industries. Now the Kent results, showing £1.08m. pre-tax against £2.06m., before taking account of exceptional costs amounting to nearly £800,000, tend to suggest that Kent is one problem that Rank can do without, at least for the moment. It is true that after a drastic slimming operation—shedding over 10 per cent. of its U.K. work force—Kent is forecasting recovery, with, for instance, a new half-price electron microscope doing well in a reviving U.S. market. But we have heard this kind of optimism before, and since even £2m. pre-tax would only give a p/e as high as 17 at 94p it could be wise to await more tangible evidence of better times.

See also page 22



## Weather

**U.K. TO-DAY**  
All areas, except N.E.  
Rather cloudy and close  
breaks of thunderstorms expected.

N. Scotland: Mostly  
bright spells. Rather  
E. warm in W.

London area, E. Anglia:  
Dull early, showers, bright  
storms, bright Wind S. light. Warm.

S.E., Cen. S., S.W., Channel Isles, S. Wales:  
Dull early. Mainly cloud  
breaks of thunder rain and coast fog. Wind SW or moderate. Warm.

N. Wales, N.W. England:  
Cloudy. Showers or some  
of thunder rain. Thunderstorms. Hill fog. S.E. light. Warm.

N. Scotland:  
Cloudy. Outbreaks of the rain. Coast fog. Wind E.

Rather cool. Max 17C (68F).

Rest of Scotland: mostly  
cloudy. Outbreaks of rain. Hill fog. Wind E.

Cloudy. Rain at Brighter spells. Wind E or moderate. Rather cool.

**Outlook:** Unsettled with  
places but also bright. Temps. near or a little normal.

## BUSINESS CENTRES

	Yr./day	Mid-day
	°C °F	
Amsterdam	F 20	McMurdo C
Bath	D 20	Montevideo C
Belfast	F 14	Milano C
Belgrade	F 23	Moscow C
Berlin	C 18	Munich C
Bogota	C 18	Montevideo R
Bristol	F 18	New York 3
Budapest	F 28	Oslo C
Buenos Aires	F 24	Paris C
Cairo	C 24	Prague C
Cardiff	C 17	Rio de J.
Copenhagen	F 17	Singapore C
Dublin	F 14	Stockholm C
Edinburgh	F 24	Strasbourg F
Frankfurt	F 24	Toronto 3
Geneva	F 21	Tunis C
Helsinki	F 11	Tokyo A
H. Kow	F 27	Toronto
Johannesburg	S 18	Toronto
London	F 22	Vienna
Luxembourg	F 22	Warsaw
Madrid	C 21	Zurich
Manchester	C 21	

## HOLIDAY RESORTS

	Yr./day	Mid-day
	°C °F	
Alicante	S 27	Barbados F
Alexandria	S 25	Barbados C
Alicante	S 25	Barcelona C
Athens	C 25	Barcelona C
Bari	C 26	Barcelona C
Batumi	C 26	Barcelona C
Blaarpoort	C 26	Barcelona C
Brussels	F 24	Barcelona C
Bordeaux	F 18	Barcelona C
Bolton	F 18	Barcelona C
Castablanca	S 17	Barcelona C
Cork	S 17	Barcelona C
Dubrovnik	S 23	Barcelona C
Faro	S 25	Barcelona C
Funchal	S 25	Barcelona C
Gibraltar	S 31	Barcelona C
Guernsey	C 18	Barcelona C
Graz	C 25	Barcelona C
Inverness	C 14	Barcelona C
I. of Man	C 16	Barcelona C
S-Sunny, R-Rain, F-Fair, C-Cool, St-Stormy, I-Illus. T-Tide		

Police count: 12,100. Forecast: Asthma Research Council

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## Vauxhall £8.29m pre-tax profit

BY JAMES ENSOR

MR. ALEX RHEA, Vauxhall's managing director, reports an encouraging outcome of his first few months in office. Thanks to a much-improved labour relations climate, Vauxhall vehicle output rose 25 per cent. in the first six months to reach 182,840 units.

Profits recovered with output, turning a £1.09m. loss into a pre-tax profit of £8.29m. After interest and tax, the profit was £6.01m., compared with a loss of £3.28m. last year.

Commercial vehicle sales were a record at 71,210, despite the down-turn in the British market this year. While Ford exports fell after its strike, Bedford has been accounting for half of the British truck exports.

Britain bad proposed that Libya, as part of an overall settlement, might make purchases worth £9m., the down payment made by ex-King Idris for arms, in April, 1969, before Col. Khadafis revolution.

Before there bad been any deliveries, the deal was frozen, following Libya's cancellation of the contract with the British Aircraft Corporation for an aerial defence system.

Libya's immediate objective in dismantling the two Sudanese leaders may have been to bargain them against the freedom of Nimali who was in prison in Khartoum. It would also be in character for Col. Khadafis, an impetuous leader and a fanatically anti-Marxist, to attempt to strike at the oew Sudanese leadership with its very obvious Communist leanings.

Other companies, too, have benefited from the industrial peace of 1971. Rover sales reached a record of 53,000 in the six months, 25 per cent. better than last year. Home car sales increased by 43 per cent. to 18,322 and Land Rover exports set a new high at 24,515.

Chrysler France emerged as a major importer this year, selling mainly through Chrysler U.K. outlets. Sales were 11,000 cars; three times as many as last year. It is catching up with Fiat, at 15,700, while Renault, selling 22,400 and Volkswagen at 23,000. Increased sales by a more modest 50 per cent. and 25 per cent. respectively.

Audi-NSU, now selling under one banner as part of the Tilling group, also achieved a significant gain to reach 6,500 cars as the sixth importer just behind Volvo.

Commercial vehicles sales in June, at 22,678, were 200 units lower than in June, 1970, a pattern which has been shown throughout the year to date with goods vehicle sales down from 137,500 to 128,000. Ford's market share of 31.4 per cent. of goods vehicle sales in June seemed largely to have recovered from the strike.

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